

The Global Newspaper Edited and Published in Paris Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo.

INTERNATIONAL Herald Tribune

Agents: 115 Park Street, 1000 Paris... 145 Rue de Valenciennes, 1000 Paris... 1000 Paris...

No. 32,873 44/88

Published With The New York Times and The Washington Post

PARIS, WEDNESDAY, NOVEMBER 2, 1988

ESTABLISHED 1867

Sakharov Criticizes Changes

Asserts Draft Law Gives Gorbachev Too Much Power

By Bill Keller

MOSCOW — Andrei D. Sakharov, reflecting what appears to be the view of many Soviet intellectuals, warned Tuesday that planned changes in the Soviet political system would give Mikhail S. Gorbachev a dangerous monopoly of power.

Mr. Sakharov, the physicist and Nobel Prize-winning human rights advocate, said that while the newly published draft election laws and constitutional amendments had been touted as a move toward greater democracy, they would actually create a national leader "vested with absolute power."

"Today it will be Gorbachev," he said. "Tomorrow it may be somebody else, and there are no guarantees — we must be frank about this — no guarantees."

He said the draft laws, published last week and scheduled for enactment in just four weeks, have also been designed to restrict the role of alternative political forces such as the popular *krusis* recently organized in the Baltic republics. These organizations, he said, are crucial as a check to the Communist Party, the only political party permitted.

Calling the proposed new system "a time bomb," he said: "It's an extremely serious question, on which the fate of this country probably depends."

Mr. Sakharov spoke at a meeting of American specialists in Soviet affairs and leading Soviet supporters of the political and economic restructuring program that Mr. Gorbachev calls *perestroika*. The discussion was sponsored by the weekly magazine *Ogonyok*.

For Mr. Sakharov, an enthusiastic supporter of Mr. Gorbachev since the Soviet leader ordered him released from internal exile nearly two years ago, the comments were a striking sign of disenchantment with the course of events.

They also represent a wider sense of unease or even alarm among Soviet intellectuals, who say the newly designed electoral system falls far short of the broadened democracy they were promised.

Several Soviet participants in Tuesday's meeting, including Yuri N. Afanasyev and Leonid M. Babitskiy, both historians, Alexander Gelman, a playwright, and Igor Klyamkin, a sociologist, joined Mr. Sakharov in criticizing the new design for the Soviet government.

Some participants in the meeting said the shortcomings of the proposed restructuring were part of a general conservatism that has taken hold of political life since last spring.

They said another example was the recent set of decrees limiting

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An Israeli soldier on guard at a polling place. One woman was seriously injured in a firebomb attack as she was on her way to vote.

Gains for Israel's Right Appear to Give Likud Edge to Form Coalition

Compiled by Our Staff From Dispatches

JERUSALEM — The rightist Likud bloc of Yitzhak Shamir is likely to form a narrow coalition government with small religious and rightist parties following Israel's parliamentary elections, television projections indicated Tuesday night.

The projections, which are normally accurate, were based on a

survey of voters exiting the polls. The survey said the Likud bloc and Shimon Peres's more moderate Labor Party were deadlocked with 40 seats apiece. But it suggested that overall, including minor-party support, the right would get 62 seats and the left 58.

Early Wednesday, Mr. Shamir, the current prime minister, declared that Likud would be able to form a government.

The first returns differed slightly from the exit poll projection. With 718, or nearly 15 percent, of the 4,800 polling stations reporting, election officials said Labor would get 40 seats and Likud 39, if the trend continued.

Although official results will not be known for a few days, gains by rightist parties gave Likud the best chance of forming a government, analysts said. The detailed negotiations among parties needed to secure a coalition were expected to begin immediately.

A Likud cabinet minister, Yitzhak Modai, also quickly claimed that his party could form a 62-seat majority coalition in the 120-seat Knesset, or parliament.

The religious parties, the power brokers in Israeli politics, traditionally support the major party that offers most concessions on public enforcement of orthodox Jewish observances and the most money for their schools and institutions.

Over the last decade, they have moved increasingly to the right. Rabbi Yitzhak Peretz, leader of the ultra-orthodox Shas Party, which was projected to win five seats, declined to commit his party to the Likud.

"We have no commitment to our voters," he said. "True, our movement naturally belongs to the right-wing bloc, but we will leave all our options open to negotiations."

The television survey suggested the right could get a majority of 62 seats, while the left could muster only 58. The forecast was based on an exit poll of about 20,000 voters at 46 polling stations, or about 1 percent of the total.

An independent pollster, Hanoch Smith, also saw the TV survey as evidence that Mr. Shamir could form the next government. Mr. Smith said, "Shamir is definitely in a better position. The Likud and the parties around it have an edge."

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Likud and Labor formed a fractious coalition after the 1984 elections, when neither party could arrange a majority with the small parties.

The future of the occupied territories was the central issue of the election campaign. Labor proposed handing back most of the areas to Jordan through a United Nations-sponsored international peace conference.

Mr. Peres, the Labor leader and foreign minister, favors an Israeli withdrawal from the Gaza Strip and parts of the West Bank, while Mr. Shamir says Israel's security demands it hold on to the territories.

Binyamin Netanyahu, a former UN ambassador and leading Likud politician, linked what he said was a swing to the right to the Palestinian uprising, which began Dec. 8.

The mood at Labor Party headquarters was subdued. But Y. Peres aide, Avraham Tamir, predicted

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Mr. Bush holds up a collection of his campaign speeches as he attempts to counter criticism about negative campaigning.

'Attack Dog' Label Is Rejected by Bush

By David Hoffman and Ann Devroy

WASHINGTON — Entering the final week of his long quest for the presidency, George Bush said Monday he had no regrets about the tone of the campaign.

Mr. Bush said he had not used "a lot of real flamboyant language."

"I mean, I've not called him pathetic," Mr. Bush said, using the term Mr. Dukakis uses to describe Mr. Bush's anti-drug effort.

Mr. Bush said he rejected the premise that this had been among the most negative presidential contests in the television era.

"Go back to the Goldwater campaign and the mushroom cloud and this kind of thing,"

See BUSH, Page 3

he has waged as the Republican nominee and rejected the suggestion that Americans were disgusted by his focus on such themes as prison furloughs and the Pledge of Allegiance to the flag.

"Suddenly, I'm the guy that's the attack dog," Mr. Bush said in an interview. "I mean, I don't accept that at all." He said he

was the "same old guy" he used to be.

"I don't consider the way I am campaigning as personal," Mr. Bush said, responding to surveys that show voter disenchantment with the harshness of the campaign.

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See BUSH, Page 3

Lawson Sees U.K. Boom Cooling in '89

Compiled by Our Staff From Dispatches

LONDON — The economic boom in Britain is surging forward at an even stronger pace than expected, with economic growth likely to reach 4.5 percent this year, compared with 4.25 percent in 1987, Chancellor of the Exchequer Nigel Lawson told Parliament on Tuesday.

But inflation and the current account deficit are also running at much higher rates than the government's original forecast, Mr. Lawson said, confirming fears among private economists that the economy may be overheating.

Mr. Lawson predicted, however, that the boom would cool next year, with the growth rate dropping to 3 percent. "Growth next year is forecast to return to a sustainable

level, while inflation will resume its downward path," he said in his annual autumn statement on government spending and economic prospects.

The annual inflation rate would rise to more than 6 percent in the fourth quarter of this year, peak at an unspecified level in the middle of 1989 and then fall back to 5 percent by the end of next year, Mr. Lawson predicted.

But the country's current account deficit, which would reach a massive £13 billion (\$23 billion) this year, would decline only slightly, to £11 billion, in 1989, Mr. Lawson said.

In March, Mr. Lawson forecast economic growth of 3 percent, an inflation rate of 4 percent and a

current account deficit of \$4 billion this year.

Since then, the rapid pace of expansion and mounting inflation have prompted the Conservative government to push up Britain's benchmark interest rate, the commercial banks' base lending rate, to its current 12 percent level from 7.5 percent in June.

"Investment is particularly strong," Mr. Lawson said, "growing twice as fast as consumption, with manufacturing investment expected to show the biggest rise of all, at 18 percent."

Unemployment, now at 8 percent, had been falling rapidly and was expected to fall further.

Manufactured exports had risen by 7.5 percent over the past year, but with investment booming and

consumer spending rising fast, imports had grown even faster, rising by 13 percent in the year to the third quarter.

Part of the rise in inflation reflected the impact on mortgage payments of the higher interest rates needed to tighten monetary policy, Mr. Lawson said. Excluding mortgage interest payments, retail price inflation in the fourth quarter would be around 5 percent.

The stronger than expected economic growth meant that total tax revenues this year would be £3.5 billion more than forecast in the March budget, Mr. Lawson said.

The fiscal budget surplus, or public-sector debt repayment, was now likely to reach £10 billion for

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Gdansk Unites Against Shipyard Closing

By Jackson Diehl

WASHINGTON — The government's sudden announcement of the closing of the historic Lenin shipyard here appeared Tuesday to have united people both in and outside of the banned Solidarity union against a move that they consider unwarranted and unjust.

As an icy drizzle darkened the

All Saints' Day celebrations, hundreds of people trooped around lines of police to light candles and sing anthems at the Solidarity monument outside the main gate of the shipyard, birthplace of the union.

Late Tuesday, members of Solidarity's organizing committee at the shipyard, which was formed during occupation strikes in April and August, gathered in a nearby church and agreed to fight what their priest, the Reverend Henryk

Jankowski, called "the latest dirty trick of the Communist leadership."

The Solidarity leaders said they would not immediately organize a strike in the shipyard because they believed such an action would play into the hands of Prime Minister Mieczyslaw Rakowicki, who announced Monday that the shipyard would be closed.

Instead, they said they hoped to join with Communist-run official

unions, the shipyard's workers' council and the enterprise's management in an effort to stop the planned closing on Dec. 1.

"The easiest thing for me to do would be to organize a strike tomorrow," said Alojz Szablewski, chairman of the Solidarity committee at the shipyard. "The whole crew would stop work."

"But I don't want to do that. I want to see the shipyard closed in a better position. The Likud and the parties around it have an edge."

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Kiosk Pretoria Bans A Newspaper

JOHANNESBURG (WP) — The government on Tuesday closed the Weekly Mail, South Africa's foremost anti-apartheid newspaper, saying it threatened public safety.

The move appeared to be a reaction to the white backlash that led to major electoral gains by the white supremacist Conservative Party in nationwide municipal elections last week.

The government banned publication of the newspaper for an initial four-week period, after which its future is to be reviewed.

General News

The French controversy over a new abortion pill has set off a church-state feud. Page 6.

A study by experts from East and West predicted major changes in farming due to a global warming trend. Page 6.

Business/Finance

Saudi Arabia lifted its oil output to 7 million barrels a day in a move to force an OPEC accord. Page 11.

The U.S. said its main forecasting gauge of future economic activity edged down 0.1 percent in September. Page 11.

Special Report

As 1992 approaches, a consensus is developing between political parties in the Netherlands. Page 7.

Table with exchange rates: The Dollar in New York, DM 1.782, Pound 1.7705, Yen 125.025, FF 6.083



A ROYAL GRIMACE — Queen Beatrix of the Netherlands watching the Melbourne Cup horse race on Tuesday. At left is the governor-general of Australia, Sir Ninian Stephen. The queen and her husband, Prince Claus, are on a 12-day visit to Australia.

In Libyan Invasion of Tunisia, Shopkeepers Are the Victors

By Edward Cody

WASHINGTON — There are two kinds of locusts these days, Tunisians joke: insects, which eat up everything in their path, and Libyan consumers, who buy up everything in their path.

The first variety has done a lot of damage to farmlands in southern Tunisia recently.

But the second variety, crossing the border by hundreds of thousands since Tunisian-Libyan relations were restored, has proved a lifesaver for the ailing Tunisian economy.

Nearly 1 million Libyans — a quarter

of Libya's population — have traveled to neighboring Tunisia since Colonel Muammar Gaddafi bulldozed a border checkpoint in April and proclaimed that his countrymen could leave without an exit visa.

Libyans, with plenty of hard currency but little to buy at home, view Tunisia as the high-class department store of North Africa. All-night change booths have sprung up at the border. In Sfax, a southern city, a new market has opened to handle their business.

U.S. exhibitors at a Sfax trade fair in June were told that doing business with America would be fine, but just now Tunisians were too busy cleaning up with

Libyan customers to pay much attention. Hundreds of taxis, Libyan and Tunisian, have started regular runs between Sfax and Tunis and the Libyan cities of Tripoli and Benghazi. Thousands more private cars have carried families on shopping sprees or men traveling alone in search of drink and female companionship unavailable under Colonel Gaddafi's spartan rule.

The Libyan vehicles have become known in Tunisia for their green license plates — and their rooftops piled high on the return trip with fresh vegetables, furniture, kitchen pans, diabetes and car parts.

"They've bought everything that isn't nailed down," commented a specialist who investigated the Libyan consumers' effect on the Tunisian economy.

Some Tunisians have begun to complain that Libyan buyers are pushing up prices. Experts have warned that inflationary pressure indeed is beginning. Fairly or not, the visitors also were blamed recently for a shortage of tomatoes in the Tunisian markets, where tomatoes are usually abundant.

Between April and July, the specialist said, the visiting Libyans spent a quarter of a billion dollars. Tunisian officials estimated the figure could be double that by now.

This influx of hard cash, coming during a good tourist year in which about 3

million people have visited Tunisia, has been a particularly important windfall. Prolonged drought has severely damaged the country's agriculture, reducing this year's crop to virtually nothing.

The Libyans enter Tunisia with the maximum allowable amount of dollars or their own hard currency pegged at an artificially high official rate, which they change into Tunisian dinars at the official rate.

As they leave, they change the Tunisian money back into Libyan dinars on the black market, fetching much more than they would at the official rate. This

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Cambodia: Hopes Dim For Talks

By Michael Richardson

BANGKOK — Leading participants in Cambodian peace talks due to resume Saturday in Paris are pessimistic about an early settlement because deep divisions remain over how to prevent the Khmer Rouge from reasserting control in Cambodia.

Parties to the Cambodian conflict, now in its 10th year, are unable to agree which Khmer Rouge leaders should be excluded from a proposed government of national reconciliation that would take over as Vietnamese troops leave.

Nor do they agree on how power should be shared between rival Cambodian factions, whether the 40,000-strong Khmer Rouge army should be disbanded or whether there should be an international peacekeeping force.

Western diplomats and Thai officials said that if that gulf is not bridged, they believe that Vietnam might use it as a pretext to delay its troop withdrawal.

Hanoi was already taking other, less obvious, steps to ensure that the Vietnam-supported government forces in Cambodia were not overrun, the sources said.

These preparations include the return to Cambodia of at least 300,000 Vietnamese civilians who were living in Cambodia before 1979 but were driven out, reinforcement of the Pnom Penh army by thousands of Vietnamese officers and soldiers, many of whom can speak Cambodian or are of Cambodian descent, and maintenance of Vietnamese advisers in key positions in Cambodia.

Prince Norodom Sihanouk told supporters in New York last month that Vietnam and its allies refused to sanction an international peace-

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مكتبات الأصل



كردان النجول

# Dukakis's Uphill Train: Riding Truman's Tracks

By Lois Romano  
Washington Post Staffer

BAKERSFIELD, California — Forget a Massachusetts Miracle. Think Truman Turnaround, says the underdog.

As the Dukakis campaign ricochets around the country during these final, marathon days, from 6 A.M. baggage calls in Kansas City, Missouri, to a giant farm rally in Sioux City, Iowa, a new candidate has come out slugging, reaching for the traditional Democratic base and going after Vice President George Bush with renewed vigor.

Over and over, Governor Michael S. Dukakis of Massachusetts invokes Harry S. Truman and his upset victory in 1948. And he has even rediscussed that old staple: the self-deprecating one-liner, poking fun at everything from his pronounced nose to his unpronounced height.

"See, I told you short guys are coming on strong this year," Mr. Dukakis said to reporters in Fresno, California, when told that Doug Flutie of the New England Patriots football team threw four touchdown passes on Sunday.

Even the reporters who have been with him for 18 months were shaking their heads over his new punch and the seeming appeal of his sharpened populist message: "I'm on your side."

"My friends, this train is ticketed all the way to the Oval Office!" he shouted to a cheering, flag-waving crowd in Bakersfield on Sunday, minutes before reliving Truman's whistle-stop ride through the San Joaquin Valley. And he even said for the first time in this campaign that he was, indeed, a liberal, in the tradition of Truman, Franklin D. Roosevelt and John F. Kennedy.

He waved from the caboose against a backdrop of a California sun and 1,000 red, white and blue balloons, as Neil Diamond's blaring song "America" competed with a chant of "We want Mike!"

"I don't know where he's been," said a campaign aide after a string of rousing appearances by Mr. Dukakis, "but we're sure happy to have him back."

At every stop, Mr. Dukakis's phalanx of "spin" staffers has taken to using such words as "turnaround," "closing in," "real movement," "hoping to drive home the point that maybe something is truly happening here."

And indeed, several statewide polls, as well as the campaign's internal surveys, indicate that there is some movement toward the man who recently appeared to be headed for a landslide defeat.

Still, members of his own party say that this new rhetoric and more focused message were too long in coming. And even if some polls show Mr. Dukakis closing the gap in such battleground states as Texas, Ohio and California, Mr. Bush is thought to enjoy a wide lead in electoral votes.

More relevant, counters Mr. Dukakis, is that maybe the Democrat will be "the one to peak on November 8," adding, "We're pushing."

[Campaigning Tuesday in Youngstown, Ohio, Mr. Dukakis called Mr. Bush the candidate of privilege, worked himself as the candidate of working people and told a union audience that the only label

he likes is "Made in America," The Associated Press reported.

[Mr. Dukakis sounded populist themes at a town meeting in a former steelworkers' union hall decorated with signs reading, "Ohio Unions Vote Dukakis," as he toured major industrial states.]

At every turn, he slams Mr. Bush, attacking him for such issues as his proposal for a capital gains tax cut.

"He said it's a job program," Mr. Dukakis said in Illinois, Missouri and South Dakota. "Who's he kidding? Is it for a job for second butler?"

"You know the saying 'the rich get richer'?" he asked. "Well, Mr. Bush wants to make it a law."

When he brought his campaign to Truman's hometown, Independence, Missouri, he pounded in the lesson of the 1948 race, saying: "I mean, he was supposed to lose decisively."

And like many a Democratic candidate before him, he compared himself to Give 'em Hell Harry: "We're two people who came up through the ranks without pretension."

At the event, Truman's great-nephew, John Truman, 15, asked, "What I'd like to know is what your campaign has in common with the campaign of my great-uncle."



**HORSEY BLUES**—A mounted police officer in Boston, Frank Pomodoro, consoling his horse, Fritz, after the horse stepped onto a broken grate and slipped into a hole in the city's South End. Police officers and fire fighters had to use a large crane to hoist the horse from the hole.

## AMERICAN TOPICS

### Clearing the Decks For President-Elect

The Commerce Department is vacating four floors of a Washington office building to make room for the transition team of the president-elect, he George Bush or Michael S. Dukakis, The Washington Post reports. Between Election Day, Nov. 8, and Inauguration Day, Jan. 20, the team will set up a new administration.

Representatives of both candidates got together recently with Raymond A. Fontaine, controller of the General Services Administration, which manages federal buildings and services. The agency also decides what transition expenses will be financed by the taxpayers. The limit is \$3.5 million. Stretch limousines and first-class air fares are barred.

Mr. Fontaine said he pressed both parties to agree on a telephone company so he could get the phones connected on time. He recommended they keep the Commerce Department's furniture: "If they want new furniture they have to go through the procurement process and they'll be long in the White House before it arrives." He also asked them to agree on stationary saying "Office of the President-Elect," with

no name mentioned. Otherwise half of it would have to be thrown away. Neither party wanted all four floors but Mr. Fontaine said the space would be needed. "They'll be swamped with volunteers," he said. "There were 1,500 people on Reagan's rolls. A lot of them were on \$1 a year. I know, I paid the \$1."

### Short Takes

Washington's most visible homeless person probably is Stacy Abney, 77. The New York Times reports. He has been living under the steps on the east front of the Capitol for the past 13 years. The steps of the building provide shelter from wind and rain but not from the cold, so the police are continually inquiring about Mr. Abney's well-being. On the coldest days, they often arrest him for his own good. The usual charge is unlawful entry. When Mr. Abney is released, he heads back to the Capitol.

Vietnam, a quarterly magazine providing low-key retrospective articles about the American military in the Vietnam War, has nearly doubled its initial circulation of 125,000 to more than 225,000 in just nine months and three issues, at \$2.95 each. The publisher, Empire Press of Leesburg, Virginia, now plans to bring it out every two months. The editor is a retired army colonel, Harry G. Summers Jr., who was twice wounded in Vietnam. Roy Barley, a Vietnam veteran

who heads New York state branches of both the American Legion and the Vietnam Veterans of America, is an enthusiastic reader. "We've had enough of that Rambo nonsense," he said. "This is not fantasy, this is fact, this is reality."

The United States keeps inching toward adoption of the metric system. A clause in a new trade law says centimeters and kilograms, rather than inches and pounds, will be "preferred" for trade and commerce. Federal agencies are to use the metric system in advertising for bids. The law does not require companies to switch, but many have long since done so.

Shorter Takes: The 1982 film "E.T. the Extra-Terrestrial" has arrived in U.S. video stores at \$24.95. With advance sales of more than 11 million, it already has topped the previous cassette sales champion, Disney's "Cinderella," at 5.3 million sold. Leon Spinks, world heavyweight titleholder for seven months in 1978, is a novice bartender in Detroit. "Someday," he said, "I may open my own place."

A quarter-century after her death, Marilyn Monroe has frequently been proposed for a commemorative U.S. postage stamp. Richard S. Rosenthal, in a letter to The New York Times, says the actress already has been featured on stamps issued by two African countries, Mali and Congo.

Arthur Higbee

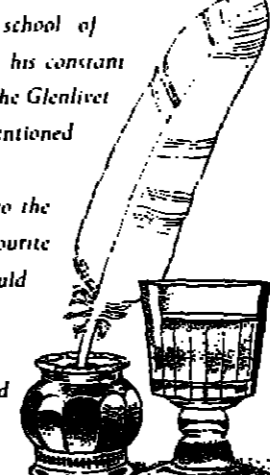
## What put the Sir in Sir Walter Scott?

It has been commonly assumed that Sir Walter Scott was given his knighthood for services to literature.

However, there is a school of thought which is puzzled by his constant publicizing and praising of The Glenlivet single malt whisky. It is mentioned frequently in his writings.

The Glenlivet was also the Monarch of that time's favourite whisky. It was said "he would drink nothing else".

Is there a connection between these two facts and his knighthood? I believe we should be told.



The Glenlivet® 12 years old single malt whisky.

## THE HUSTINGS

### Long Shot Looking Better in Nevada

LAS VEGAS, Nevada (NYT) — Bettors in this gambling capital might have thought they had a sure thing wagering that the popular Democratic governor, Richard H. Bryan, would push the state's Republican senator, Chic Hecht, out of office.

The polished governor once led the obscure senator, who was often derided in Washington by congressional staff members, by as much as 31 points in polls. As recently as last month the senator's own polls showed him trailing by 18 points.

But now, both sides agree, Mr. Hecht has made it a horse race, thanks to the faltering presidential campaign of Michael S. Dukakis. Sensing the chance to save a seemingly lost seat in the Senate, the Republican national apparatus is pulling out all stops for Mr. Hecht, a staunch conservative who almost invariably backs President Reagan.

Mr. Reagan campaigned for Mr. Hecht in Reno on Tuesday, and six Republican senators from the West have campaigned here for him or plan to. Last week, conceding the deeply conservative state and its four electoral votes to Vice President George Bush, the Democratic presidential forces folded their tents here.

### Bush Campaign Aide Sees Crimson

NEW HAVEN, Connecticut (NYT) — The Bush campaign expressed shock. Accusations by Michael S. Dukakis are expected. He's a Harvard

Vice President George Bush, Yale Class of '48, was unavailable for comment after an anti-Bush rally Monday at Yale University attended by about 200 persons. But his spokesman, Mark Goodin, was suitably shaken by the event and said it sounded like a "Harvard man's dirty trick." The Democratic presidential candidate actually went to Swarthmore College and then to Harvard Law School.

"It shocks me that they would go to these extremes," said Mr. Goodin.

### BUSH: Candidate Says He Has No Regrets About Tone of His Campaign

(Continued from page 1) he said, referring to a political ad used in 1964 by President Lyndon B. Johnson against Senator Barry Goldwater that depicted an atomic blast going off after showing a little girl picking daisies. "My view is if I win and there's any healing to be done, listen, I'd be happy to undertake that," Mr. Bush said. But after the election, he added, "I think the American people shift over to the problems.

They've been through a lot of campaign. Mr. Bush insisted he had not been more negative than the Democrats. He said he had no regrets about the commercial he used showing prisoners going through a revolving door and criticizing Mr. Dukakis for the Massachusetts prison furlough program, which in fact was established by a Republican predecessor.

The vice president said he did not have to be persuaded to use that and other issues against Mr. Dukakis. He said he personally decided not to open fire on the Democrats until after their primary season was over. "As soon as that was over, I figured well, we have to define the differences, it is not being done."

"When he said at his convention that ideology doesn't matter, just competence, that was a statement that they were trying to pre-empt

the mainstream, they were going to try to move away from his record," Mr. Bush said.

"We couldn't permit that to happen. I think a candidate has to define these differences."

Mr. Bush said he did not want to talk about what mandate he might get from the electorate. "It's too early," he said. "If I start talking mandate it disconcerts me. It gets me past Nov. 8 and I can't do it."

### AIDS Expert Protests Ballot Measure

LOS ANGELES (AP) — A medical pioneer in the fight against AIDS has quit the AIDS Advisory Committee in California to protest Governor George Deukmejian's endorsement of an initiative on the state ballot that would require reporting the names of those who have the virus.

Dr. Michael S. Gottlieb, who in 1981 first reported cases of what is now known as acquired immune deficiency syndrome, announced his resignation from the state panel Monday, saying the governor does not understand the AIDS crisis.

Proposition 102, on the ballot Tuesday, would require reporting to state health officials of positive test results for those infected with the AIDS virus. Officials would also be required to track down an infected person's sexual partners for the past decade and inform them they may be at risk.

### Contact Questioned

A Republican fund-raiser denied Tuesday that he had tried to use his ties to Mr. Bush to win a contract for his public relations firm to represent Haiti, The Associated Press reported from Washington.

Frederick M. Bush, who is not related to the Republican nominee, said the overture to Haiti, which emphasized his connection to the vice president, was made without his knowledge by his partner, Michael Govan. He said he had told Mr. Govan not to pursue any such contract.

"This is a rotten, rotten thing to happen," Frederick Bush said in a telephone interview. "It looks bad for me and the Bush campaign."

Frederick Bush served as deputy finance director of the vice president's primary election campaign and now is a financial consultant working at the Republican National Committee on the general election.

## Tibet Monks Tortured, Report Says

BEIJING — Monks and nuns tortured after anti-Chinese demonstrations in Tibet have been stripped, beaten and tortured with electric prods in prison, according to a report received Tuesday from Western human rights advocates in Lhasa.

The rights advocates said in the report that prison officials routinely beat and tortured inmates during interrogation.

"It is common for the prisoner to be stripped naked and to be sitting on the floor during these questioning and beating sessions," the report said.

The report, based on interviews with about 30 freed prisoners, was drawn up by Westerners who speak Tibetan and frequently visit the

area. They declined to be identified.

Asked to comment on the allegations of torture, a spokesman for the State Nationalities Affairs Commission, Zhang Xuejin, said: "I know nothing about this."

Chinese officials have previously denied reports of torture in Tibetan prisons.

In the latest account of separatist disturbances in Tibet, the rights advocates also said that monks of the Rato monastery near Lhasa, the Tibetan capital, clashed with three squads of riot police on Oct. 3.

Mr. Zhang said he had no information on the incident. The trouble began on Sept. 30, the Westerners said, when the monks threw stones at two cars belonging to officials who had come to their monastery to ques-

tion them about rumors of a planned demonstration.

Under armed escort, they said, the officials returned and arrested one of the monks. Fighting broke out and the police fired several shots. No one was killed.

Later, villagers attacked the police who had surrounded the monastery, the rights advocates said, and 4 more monks and more than 10 villagers were arrested.

At least 42 Buddhist monks and 3 nuns are among about 100 Tibetans still in prison, according to the report. But it said that hundreds of others have been released from four prisons near Lhasa.

Arrests began in September of last year when Tibetan monks and lay people staged demonstrations against Chinese rule over Tibet, which it annexed in 1951.

## STAYING AT THE MARRIOTT ISN'T BENDING CORPORATE RULES, IT'S USING CORPORATE RATES, I EXPLAINED."

"It's actually on an island." I said, describing the Cairo Marriott. "It's a former palace of Ismail Pasha. I always stay there when I'm in Cairo."

Herbie looked at me as if it was out of the question for him. It was odd because the Herbie I know has never been one to compromise. Maybe it was because he was still treading carefully at his new company.

Anyway I got my secretary to ring up for the Marriott's new corporate rate.

"\$115 U.S. dollars" came the answer.

"There you go Herb, we'll meet as planned."

\*Rate is for single room and is subject to local tax and surcharge. Applies until 31st September 1989.

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## Herald Tribune

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# Herald Tribune

## Helping the Reformers

Trading with the Soviets always involves a lot more than commerce. When Helmut Kohl, West Germany's chancellor, went to Moscow last week, he was accompanied by an entourage of some 50 bankers and businessmen who, before they left, had ceremoniously signed 30 contracts worth more than \$1.5 billion. But there was much more to the visit than trade. Mr. Kohl reports that the Soviets offered to release political prisoners as a concession to better relations. President Mikhail Gorbachev called on Mr. Kohl to resist the modernization of non-INF NATO nuclear weapons in Germany, and Mr. Kohl similarly urged the Soviets to eliminate some of their own short-range nuclear weapons. Both sides are treating trade as part of a far broader political exchange.

The week before, Italy's prime minister, Ciriaco De Mita, was in the Soviet Union bearing \$775 million in trade credits. President François Mitterrand will be there soon, and the British have begun lending again. Western Europe has decided to finance perestroika. A more prosperous Russia will be a more comfortable neighbor, they think, and a Russia that depends on Western credit will be a more predictable one. Some of the motives here are purely commercial. Russia, before its revolution, was an important market for Western Europe,

and many Europeans think that it might become that again. On his return, Mr. De Mita spoke expansively of "unimaginable" trade opportunities. But at a deeper level the West Europeans, having been under the shadow of a Soviet threat for four decades, think that it will diminish if they can help the Soviet people to live a life more like their own. Last week's contracts are largely for machinery to produce consumer goods.

While the United States is a bit less enthusiastic about helping the Soviets, it has no reason to oppose these credits and sales. Mr. Kohl has set off a ripple of uneasiness in Washington by talking about revisions in the COCOM list — the catalogue of goods and technologies that the West has agreed not to sell to the Soviets because of the military implications. The United States is right to consider that list a necessary condition of wider trade.

But Europeans live closer to the Soviet army than Americans do, and the emergence of Mr. Gorbachev and his reforms has had a far greater impact in Europe, particularly in West Germany. With these credits, the Europeans are betting that the evolution of the Soviet state will serve not only the Soviets' interests but their own. They are doing what they can to help the reformers.

—THE WASHINGTON POST.

## What U.S. Aid Isn't For

It is not a shopping spree that has brought the former Philippine first lady, Imelda Marcos, to New York City this week. It is a federal indictment.

The Justice Department alleges that she, her husband, Ferdinand, and eight others diverted more than \$100 million of Philippine government funds and \$165 million in fraudulent U.S. bank loans to assemble a New York real estate empire. She has until Thursday to raise \$5 million in bail. For health reasons, Mr. Marcos has been permitted to remain at home in Hawaii. Prosecution of foreign leaders is always controversial, even when they are out of power and the court's jurisdiction is clear. Yet Washington is correct to let this case proceed. It serves both justice and foreign policy.

The Reagan administration assured Mr. Marcos's safety when he fled after the revolt of February 1986. But he went to Hawaii neither quietly nor wisely. He ordered his troops to fire on Manila demonstrators, orders that were fortunately disobeyed. He demanded that U.S. rescue pilots ferry him to a Philippine redoubt, only to have Mr. Reagan order otherwise. After arriving in Hawaii, he continued to abuse his hosts with financial and political conspiracies.

Now there is a new government in Manila, with which Washington has important business. Perhaps it is more than coincidence that the indictment came just days after agreement was announced on interim terms for maintaining U.S. bases at Clark Field and Subic Bay. But successful prosecution of this case could help the strapped Aquino government recover some of the Marcos billions.

The sums in this case represent just a fraction of that hoard, which may total tens of billions. Much of the remainder is held in Swiss bank accounts, which Switzerland says it will help recover should the Marcoses be convicted of financial crimes. With Mrs. Aquino understandably reluctant to see the former dictator return to the Philippines, even for a trial, the New York case takes on special significance.

There is also a point of American honor. The government treasures allegedly looted by the Marcoses were at the same time receiving substantial U.S. foreign aid. American taxpayers believed that their dollars were being used for the benefit of the Philippines and its people. Prosecuting the former dictator sends a message that American generosity is not a license to plunder.

—THE NEW YORK TIMES.

## The Embassy Scandal

Tear down the Moscow embassy and build a new one right, says President Reagan. It is a more radical solution than what has been recommended by some of those who have pondered the profligate bugging that presided over the new U.S. Embassy building from being occupied. But as costly as it may be (\$300 million) to replace this \$190 million structure, and as long as it may take (another five years), this may be the only way.

The saga of the two new embassies, America's in Moscow and the Soviet Union's in Washington, is one of the true scandals of American foreign policy. It all started a full 30 years ago, and at just about every stage, a numbing carelessness and naïveté in both planning and execution have been evident. That is how the United States came to have an unusable facility in a swamp in Moscow while the Soviet Union has a fully ready new embassy (which the United States necessarily refuses to allow it to occupy) on the high ground in Washington.

A climax of sorts was reached earlier in this decade when the bugging of the structure nearing completion in Moscow was discovered. Typically, the discovery was a random, rolling affair, as different people became aware only at different times and to different

degrees of the American mistakes that had let the Soviet intrusions take place.

The KGB, it is said, homebased the new building with listening devices. Of this there may be more to learn on another day. Knowledgeable Americans indicate that some bugs are in an exotic prescriptive category, fancy but not demonstrated, employing technologies of which Americans are simply unaware. It is perhaps worth noting that a similar readiness to impute great prowess in espionage to the Soviets characterized the initial American reaction to disclosures in the mid-'80s that Marine Corps guards had permitted the KGB to penetrate the existing Moscow embassy. Exhaustive review found no evidence for those accusations.

Reluctant for intelligence reasons (and perhaps also from embarrassment) to show the physical evidence of bugging, the United States has opened itself to the Soviet charges now being made of whipping up an "espionage scare." The accusation glides in on the implicit suggestion that in the age of glasnost no one need fear being bugged. But, regardless of who is running the KGB, the disagreeable job of building one has to proceed.

—THE WASHINGTON POST.

## Other Comment

### There Will Be Budget Options

One unpalatable fact, never mentioned on the campaign trail, is that the U.S. economy is suffering from overconsumption. Government overconsumption of guns and butter, private overconsumption of cars and houses. But to limit consumption is to impose austerity. And to impose austerity is to risk recession. Higher interest rates would cool consumer buying, but they would also raise the government's cost of financing its \$2.8 trillion debt, push up the value of the dollar and make U.S. exports less competitive.

There is, fortunately, a chance to break out of the Reagan trap. Perhaps by a value-added or national sales tax. By energy taxes that reduce U.S. dependency on foreign oil. By repealing loopholes, such as the tax break on interest costs on home equity loans. By sin taxes on cigarettes and alcohol. By taxing Social Security benefits as ordinary income. By reducing the U.S. military presence overseas. By sinking teeth into Pentagon waste and fraud. By slashing costly farm subsidies. . . . The point is that the next president will not be without options if he discards the political fraternity's low opinion

of the American voter and rallies the nation to do the things it must to overcome the overindulgence of the Reagan era.

—The Baltimore Sun.

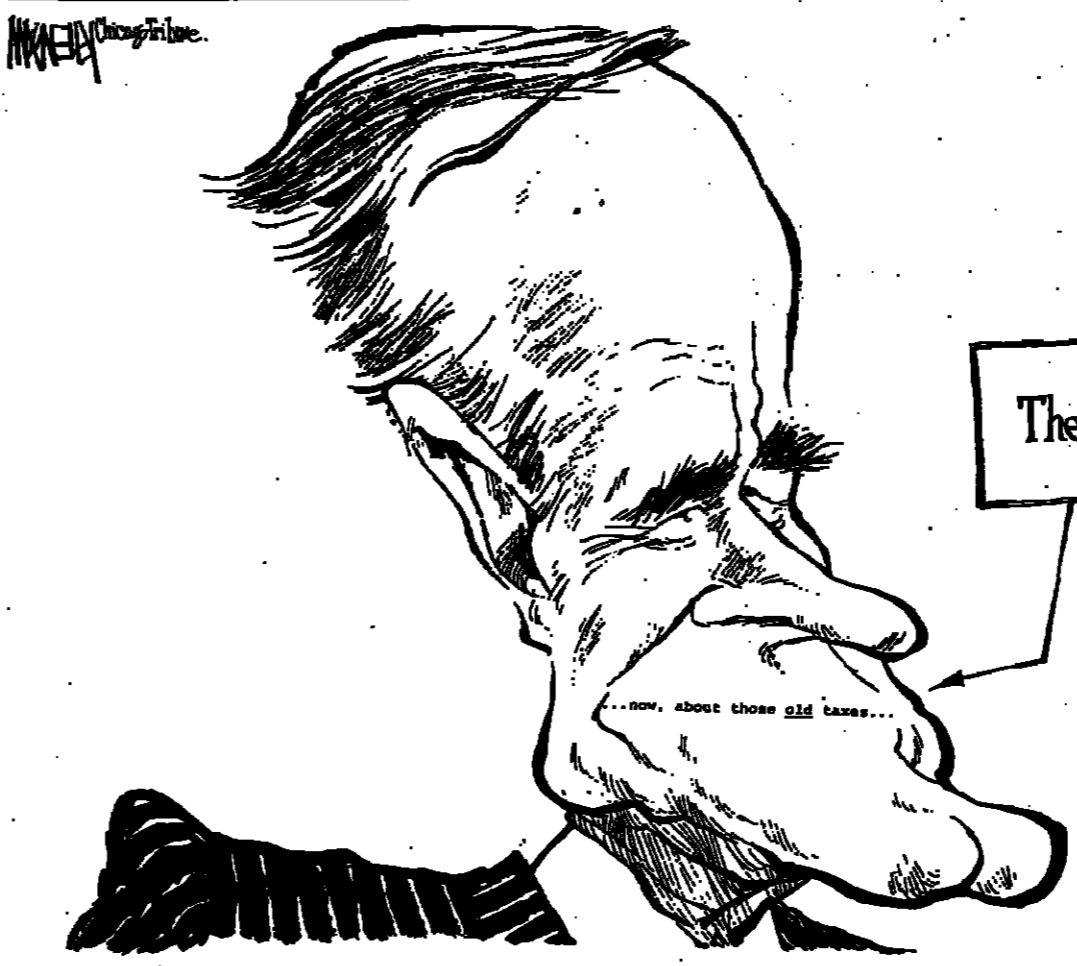
### The IRA Is Going Strong

The IRA's campaign has not really changed course since they shot their first British soldier in North Belfast in February 1974. There have only been changes in emphasis. The latest trend has involved the IRA increasing its attacks on regular British troops. It has reactivated its operatives in Britain and the Benelux countries and it is engaged in bombing commercial and politically sensitive targets in Belfast.

It is, however, probably better equipped now than it has ever been, thanks to the arms and cash supplied by Libya over the past two years. It has, senior security sources on both sides of the border are convinced, surface-to-air missiles, anti-aircraft machine guns, possibly as many as 5,000 assault rifles and large quantities of the plastic explosive Semtex.

—Jim Coak in The Irish Times (Dublin).

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 International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France.  
 Tel.: (1)46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.  
 Directeur de la publication: Walter N. Thayer.  
 Editor for Asia: Michael Richardson, 3 Canterbury Rd., Singapore 0211. Tel: 472-7768. Telex: R554928  
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 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337  
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## Bush: Competence Plus Disturbing Signals

By David S. Broder

WASHINGTON — The most reassuring thing Americans have learned about George Bush in the 1988 campaign is that he is not the man millions mistakenly thought he was. He is not the "wimp" of the Doonesbury cartoons. Senator Bob Dole, one of many in both parties who underestimated Mr. Bush's tenacity, called him a "tough, aggressive" candidate last weekend. Since most Americans would rather have a strong president than a weak one, this display of backbone and muscle by Mr. Bush comes under the heading of good news.

So does his unexpected ability, on at least such occasions as his acceptance speech and the second debate, to speak for himself in ways that are affecting and appealing. That is an important leadership skill which few knew that he possessed. We have learned that he will find people with strong experience and good skills for tasks that are important to him. The principal strategists and operatives of his campaign, James Baker, Robert Teeter, Roger Ailes and Lee Atwater, have performed their functions well, as their track records gave Mr. Bush every reason to expect.

Mr. Baker may be the only one of the four to take a senior place in a Bush administration (as secretary of state), but it is not farfetched to expect Mr. Bush to put people of comparable talent and experience in key governmental positions. They would almost certainly include such Bush-affiliated cabinet members as Attorney General Richard Thornburgh, Secretary of the Treasury Nicholas Brady and Secretary of Education Lauro Cavazos; such Bush advisers as former Senator

John Tower, former White House and Treasury official Richard Darman, Mr. Bush's chief of staff, Craig Fuller, and half a dozen able domestic policy and national security staffers from his vice presidential office and campaign. Many of the remaining signals from the campaign are not nearly so reassuring — and some are downright disturbing.

His "read my lips — no new taxes" pledge, True, the complaining Democrats do not come with clean hands. People who jeered "Where was George?" and passed out flyers identifying Ayatollah Khomeini as "George Bush's friend" probably should not gripe about sneers. But it is beyond question that the level of distortion and demagoguery in the Bush campaign suggests that he is prone to let the end justify the means.

Given his penchant for secrecy, his disinclination even during the campaign to answer reporters' questions, one would have to expect him as president to be tempted to use backdoor routes to attain important policy goals, evading congressional or public scrutiny of his actions. The campaign, in that respect, confirms his history as director of the Central Intelligence Agency, his tacit approval of such Reagan administration covert operations as the arms sale to Iran, and his inability, 15 years ago, to recognize the moral or political implications of the Nixon White House's secret policy operation. His striking silence on the issue of supplying aid

to the contras suggests either that he lacks the courage of his own convictions or, more ominously, that he believes that resumption of such aid can be better engineered through stealth than argued and justified in public debate.

For the most part, Mr. Bush has dealt responsibly with foreign policy and national security issues. Unlike Mr. Dukakis, he has said nothing which could inhibit his effectiveness as president in dealing with other nations. But the same cannot be said of domestic policy. His "read my lips — no new taxes" pledge, while undoubtedly popular, is irresponsible, not only in the view of economic leaders in America and abroad but in the judgment of key legislators of his own party and likely members of his own administration. The Economist, which vastly prefers Mr. Bush on foreign policy, said last week that if he is serious about that no-taxes promise, he "has ensured that the economic side of his presidency would be crisis-driven."

That readiness to sacrifice the future for temporary political advantage is disquieting. But even more so is the disdain that Mr. Bush showed for the nation's future in his selection of Senator Dan Quayle for vice president. The campaign has only served to weaken the impression that Mr. Quayle is a shallow, unreflexive and unfocused politician, three or four cuts below many of the other men and women in the Republican Party whom Mr. Bush might have chosen.

More than anything else, Dan Quayle sends a disturbing signal about George Bush.

Washington Post Writers Group.

## Enough Military Restraint to Warrant a Response

By William M. Arkin

WASHINGTON — What is the Soviet Union doing? Through a series of proposals and initiatives, INF and START negotiations, Moscow has precipitated a major re-evaluation of Soviet society, but in the military sphere, too, he has advanced a new doctrine.

It proposes "military equality, or equal security for all," on the premise that not every military advance by the West needs to be matched, so long as "reasonable sufficiency" in military forces is maintained. In the INF and START negotiations, Moscow made concessions previously thought unlikely. Mr. Gorbachev also stopped Soviet nuclear testing for 15 months on a unilateral basis.

Notwithstanding the conventional wisdom in much of the West, the evidence seems to indicate no developments in Soviet forces that contradict the new rhetoric. Western military establishments remain skeptical. "We have heard a lot about the 'change' taking place in the Soviet Union," Admiral Carlisle Trust, the U.S. chief of naval operations, has said. Those changes should be watched to see whether they are real "or whether there is a temporary

adjustment in stated philosophy in order to permit time for economic wounds to be patched up."

Frank Caracci, the U.S. defense secretary, said on a visit to the Soviet Union last summer, "We see very little change in your production rates of ships and aircraft and other armaments." Yet there have been significant production changes. Rear Admiral John Butts, former director of U.S. naval intelligence, reported a slowdown in Soviet ship construction in 1983 and 1984. That trend continues, with ships and submarines of higher quality replacing older vessels on a far less than one-for-one basis.

Missile production has also slowed considerably. The mobile SS-24 MX-type missile is being fielded quite gradually. The short-range SS-21 missile is not being widely deployed. Introduction of new long-range sea-launched cruise missiles has been much slower than U.S. intelligence estimated.

The most significant shift has been in naval operations. Since their peak in 1984, there have been consistent decreases in activity. In 1986, according to U.S. naval intelligence sources,

operations worldwide "declined significantly" compared with the tempo in the years 1983 to 1985. In 1987, naval deployments overseas declined by 6 percent compared with 1986. This year, operations have been less frequent still. Almost all major exercises were conducted in waters close to the Soviet mainland.

The number of naval vessels outside home waters has declined from 169 in 1984 to 137 in 1987. The biggest reduction has been in submarine deployments; patrols have declined from 46 on a typical day in 1984 to 25 in 1987.

Soviet naval deployments have declined for every area of the world except the South China Sea, where, for U.S. statistical purposes, ship days at anchor at Cam Ranh count the same as active exercises. Indian Ocean naval activity has declined to levels of the mid-1970s. For the first time in a decade, Moscow did not send a naval task force to the Caribbean in 1987.

Yankee class ballistic submarines eased their regular patrols off U.S. coasts in late 1987. Submarines have appeared only occasionally since — in the Atlantic, not the Pacific. Some

have speculated that the shift in Yankee operations was related to reorganizing by Soviet nuclear forces after the INF treaty. But the U.S. Navy states in June that the reduction could be attributed primarily to "deployment patterns as units of that class, and their older missile systems, reach the end of their active operational lives."

Beyond the navy, the most visible of the Soviet military services, there is less information on day-to-day operations. General Dmitri Yazov, the defense minister, wrote in February: "It should be noted that in strict accordance with its defensive doctrine, the Soviet Union has not been increasing the size of its ground force grouping in the Far East for several years."

Soviet military spending, according to CIA sources, is on the decline. During the visit of Marshal Sergei Akhromeyev, chief of the Soviet general staff, to the Pentagon in July, Admiral William Crowe Jr., his U.S. counterpart, acknowledged that widespread cost-cutting efforts were underway on the Soviet side.

What does it matter if the military changes are cost-cutting measures? Or if the Soviet withdrawal from Afghanistan or the reduction of forces in Mongolia or the reopened border discussions with China are self-serving? The United States, its Western allies and their friends in Asia and the Pacific should seize the opportunity of Soviet willingness to negotiate solutions of mutual benefit. The next U.S. president should make constructive proposals, rather than just react to them.

The writer is director of the National Security Program at the Institute for Policy Studies in Washington and co-author of "Soviet Nuclear Weapons: Databook series," to be published in January. He contributed this comment to the International Herald Tribune.

## New Caledonia: A Test for the French

By Helen Fraser

CANBERRA, Australia — The Socialist government of Prime Minister Michel Rocard is asking French voters in New Caledonia to turn out in force Sunday to endorse, by way of a referendum, a peace accord that will have a critical bearing on the future of New Caledonia.

The accord, reached in August after New Caledonia had been hit by its worst political violence in years, is to give the South Pacific island chain nine years of limited self-government after 12 months of direct rule from Paris ends in July.

The Socialist Party's posters ask voters: "Do you want war or not?" Ironically, the very fact that war has been averted in New Caledonia works against a large turnout on Sunday. For in the minds of French voters, the New Caledonian conflict was settled in August when they saw once-bitter foes, Jean-Marie Tjibaou and Jacques Lafleur, shake hands on television, concluding the accord reached under the auspices of Mr. Rocard.

Mr. Tjibaou heads the Kanak Socialist National Liberation Front, or FLNKS, which wants independence for New Caledonia. Mr. Lafleur leads the Rally for Caledonia in the Republic, or RPCR, which wants the territory to remain French.

The indifference of French voters to the New Caledonian problem is understandable. The islands are 20,000 kilometers (12,400 miles) from metropolitan France, where people are more worried now about industrial and economic issues.

And the vote Sunday will be the seventh vote for French nationals since April. Opinion surveys are predicting a turnout of less than 40 percent, though most of those motivated enough to vote have said they will support the accord.

The Rocard government, and the still tenuous peace process in New Caledonia, need the endorsement of a national referendum. Twice in recent history, in 1963 and in 1986, changes of government in Paris have reversed, through parliamentary legislation, initiatives by Socialist administrations to advance the territory's political status.

Mr. Rocard and his supporters believe that any future government would hesitate to try overturning an agreement that the French public had approved. They also want the referendum to provide assurance to the indigenous Melanesian Kanaks that the accord will stay in place.

Australia, New Zealand, Papua New Guinea and the island states of the South Pacific Forum want a similar assurance. So does the wider international community, which, through the United Nations decolonization committee and the Non-Aligned Movement, has welcomed the accord as a sign of the French government's determination to proceed with decolonization. At the end of the 10-year period, both the Kanaks and the settlers will be in a better position to choose freely whether to become independent or

to remain part of France. The Rocard government hoped for a consensus among all major French political parties. But the extreme right National Front, both in France and in New Caledonia, has been waging a "no" campaign. In the territory itself, one party in the FLNKS coalition has been advocating a "no" vote.

The National Front argues that the accord supports terrorists and will lead to independence, while the dissident group in the Kanak groupings maintains that the accord falls far short of the coalition's demands for outright independence.

Yet, the failure to achieve a political consensus in France may help create a better bipartisan understanding in New Caledonia between Mr. Lafleur's party and that of Mr. Tjibaou. The RPCR has long had close links with Rally for the Republic, the French party of former Prime Minister Jacques Chirac, which has urged voters to boycott the referendum. Mr. Chirac argues that New Caledonia's future should be resolved by Parliament.

The boycott call may prompt the RPCR to loosen its ties with the party in metropolitan France. This would give the RPCR a stronger sense of itself as a Caledonian political group and help it find more common ground with the other communities in the territory.

The writer, a former foreign correspondent in New Caledonia, is editor of Pacific Report, a newsletter. She contributed this comment to the International Herald Tribune.

# OPINION

## Last Chance For a Run By Dukakis

By Tom Wicker

LOS ANGELES — With less than a week to go before the U.S. election, Michael Dukakis has a last chance to make it close. He needs to give Americans — particularly Democrats — who still do not want George Bush as president a good reason to vote Democratic after all.

Mr. Dukakis' whistle-stopped Sunday through California's San Joaquin Valley, trying to do just that. "Yes, I'm a liberal," he proclaimed at last, "in the tradition of Franklin Roosevelt, Harry Truman and Jack Kennedy."

The tactic was transparent and long overdue; the Democratic nominee sought to lure Bush-leaning Democrats back to the faith. There may be a lot of them. Many polls — most recently one in the Wall Street Journal — have found little enthusiasm for Mr. Bush even among those who have been planning to vote for him.

The new Dukakis appeal to Democratic tradition appears to be having at least limited success. Both campaigns say the race is tightening, as do many observers. The Los Angeles Times headlined its lead story Sunday, "Dukakis May Be Staging Comeback." This state and five other big ones — Illinois, Michigan, Ohio, Pennsylvania and even Texas — are considered within his reach. He leads in New York.

Of course, as some Bush strategists insist, the "movement" toward the Dukakis-Bentsen ticket may be no more than the predictable decision of once-wavering Democrats to stick with their party. No one, save Mr. Dukakis himself, has been bold enough to predict for him a Trumanesque comeback victory Tuesday.

California, with its big payoff of 47 electoral votes, certainly is not being taken for granted by the Republicans. Though their candidate has edged into the lead here — by 11 points in a Los Angeles Times poll now 10 days out of date — Mr. Bush's biggest asset, President Reagan, has been called in to help out.

But Democrats like Willie Brown, the speaker of the California Assembly, are keeping hope alive because of a huge Democratic get-out-the-vote campaign being organized. It raises possibilities, they say, that cannot be measured in pre-election polls.

The Times has called this planned effort "the most extensive contact apparatus" ever in a state that long has resisted traditional political organization. At a reported cost of \$4.5 million, 500 paid organizers operating from 92 field offices claim to be reaching 25,000 volunteers. Mr. Brown thinks the total may reach 40,000.

Mr. Brown himself, primarily on behalf of Democratic Assembly candidates, has chartered an airplane to bring volunteers from Northern California, the Democratic stronghold, to Los Angeles County, where the party needs a big victory.

These efforts may prove unusually effective because of the multiplicity of local candidates and initiatives — dealing with auto insurance, AIDS, oil drilling, banking, taxes and other issues — on the California ballot. Television here has become a bewildering bazaar of commercials, into which advertisements for the national tickets tend to disappear. Street organization may be as effective here as the blurred media messages.

Mr. Dukakis may be closing but is still behind in California, and probably must sweep the seven big states listed above even to be a minority president. Mr. Bush obviously will carry far more states, and even if Mr. Dukakis should win a narrow electoral-vote majority his Republican opponent might still win the popular vote. All of which emphasizes the question: What happened to that 17-point lead Mr. Dukakis had in polls in July?

One theory here is that Mr. Bush was then and remains suspect, as being generally weak and politically hybrid. Voters want a good alternative. Mr. Dukakis seemed for a while to offer it. Then attacks by the vice president and inept campaigning by Mr. Dukakis misled the latter's "negatives," dashing his opportunity.

With a good alternative to George Bush no longer at hand, voters responded to their liking for Ronald Reagan and his conservatism; they also took counsel of their fears of too much change and of a liberalism that Mr. Bush had described in threatening terms. He took the lead, in this view, not so much as the people's choice but as the safest way out of their dilemma.

A lot of voters, particularly Democrats, still might like to vote for someone other than George Bush. That is why the task — probably impossible by itself — of Michael Dukakis now is to make himself the acceptable alternative he always should have been.

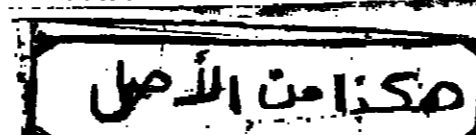
The New York Times.

## 100, 75 AND 50 YEARS AGO

**1888: Zola Responds**  
 PARIS — In view of the recent fine imposed upon the London publishers of "La Terre," a Herald correspondent called yesterday (Nov. 1) upon M. Emile Zola. This kind of realistic writers lives in a handsome apartment near the Place Clichy. "About the judgment of the English Court against 'La Terre?' Je m'en fiche complètement et radicalement. These austere Englishmen turn up their eyes in holy horror when any mention is made of what they are fond of calling 'French vices.' If Whitechapel flows with the blood of society's outcasts, it is, foremost, because M. Emile Zola has perverted the innocent minds of the British youth. Bah, such Pharisaical prudery is sickening!"

**1913: Blanquet Says No**  
 NEW YORK — With two words General Blanquet, who on the face of the election returns is elected Vice-President of Mexico, has upset all calculations. The theory has been that he would become President through the Constitutional incapacity of General Huerta to accept the Presidency. Questioned whether he would accept the post, General Blanquet said, "No." Consequently, the situation is just where it was before the election, with General Huerta in the saddle.

**1938: To Avert a War**  
 NEW YORK — In a bitter attack on the trade policies of totalitarian nations, Secretary of State Cordell Hull declared that the United States' reciprocal trade pact system is "the only practicable alternative to a drift toward the anarchy of economic warfare." Sticking squarely at the road leading toward "increased reliance upon armed force as an instrument of national policy," he said: "If the nations combine along this road, increasingly striven with the wreckage of civilized man's most precious possessions, they will be marching toward the final catastrophe of a new world war."



OPINION

Keep in Mind: It Appears The President Was Killed

By A. M. Rosenthal

NEW YORK — The president of a delicately balanced country critical to the United States is killed. His top military officers die with him; so do the ambassador and the military attaché of the United States.

ON MY MIND

was committed by the same foreigners who had been threatening the president for years. This month there will be an election to replace him. Whatever happens in the country will affect the peace of a continent and the conflicting security interests of the United States and the Soviet Union.

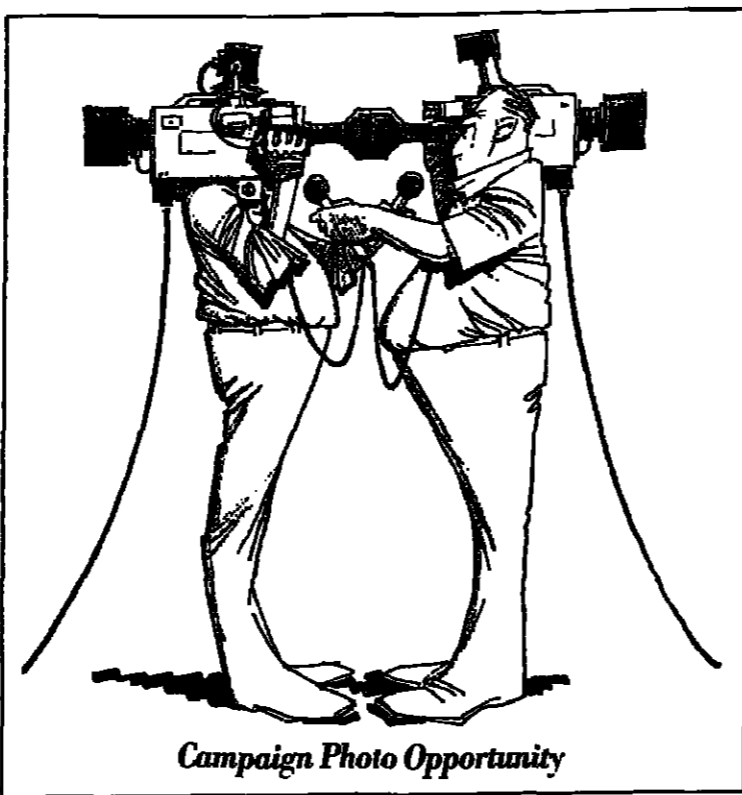
Yes, of course, Americans are wrapped up in their elections. But that is not the whole truth. If the president of a country in the Middle East were killed in what so many diplomats and intelligence specialists believe was an assassination, there would be an unending uproar.

When the news came, the government of the United States fumbled. The FBI was prevented from carrying out

India Could Help

RESPECT for human rights and abhorrence for nuclear weapons were the two main reasons for the American security and economic assistance to Pakistan. The time has come to make Pakistan honor them. Pakistan's foe, India, can also create conditions for a peaceful democratic evolution of its neighbor.

Bhagat Wajiravallia, writing from New Delhi in the Los Angeles Times.



Campaign Photo Opportunity

Not Much of a Show, but It's Drawn a Big Audience

By Jim Hoagland

PARIS — Think you Washington folks have had a tough campaign, scraping all those Lee Atwater mudballs off your sleeves and having to get to know Michael Dukakis? (The Democrats are losing because they violated Hoagland's Rule No. 1: Never hire, marry or nominate for president anyone you're not absolutely sure you'll want to have lunch with in five years. But that's another column.)

Before the Purple Hearts for Campaign Watching are passed out, consider the plight of Americans living or traveling overseas during this bout of electioneering. The campaign takes on a disembodied, blurry quality as it is filtered through different time zones, foreign media outlets and contrasting cultures.

It is not that Americans abroad today suffer from a paucity of news or images of the U.S. campaign. We do not. If you stay in certain upscale hotels, or have your own satellite dish at home, you can tune in Cable News Network and catch prime-time news in Europe's pre-dawn hours. Here in Paris, one station broadcasts a taped version of the "CBS Evening News" the following day at breakfast time.

There's part of the rub. Imagine coping with Dukakis/Bentsen vs. Bush/Quayle, to say nothing of Dan Rather, before you sit down to your Malted Shreddies and espresso. With subtitles! Or listening at 2 A.M. to Dan Quayle explain what he would do first as president if a furloughed convict raped and murdered George Bush. Or was that Michael Dukakis? The time zones played havoc with my debate comprehension.

Little matter. As the campaign press corps has said and written in self-fulfilling prophecy since the snows of New Hampshire and the cotton mills of South Carolina pointed the way for the Bushkiss tandem, this is a campaign about form, not substance; a victory of media, not message.

This in fact seems to understate the case, if you get your video impressions at these odd hours, often as the brain is clicking on instead of winding down for the night, and solely from the news programs.

In a small show of mercy, the campaign TV ads are not being shown here. But we watch the American broadcasts cheek by jowl with more sedate and talkative European or Asian news broadcasts that show a different world, in which the U.S. campaign plays almost no role.

Before the Purple Hearts for Campaign Watching are passed out, consider the plight of Americans living or traveling overseas during this bout of electioneering. The campaign takes on a disembodied, blurry quality as it is filtered through different time zones, foreign media outlets and contrasting cultures.

Mr. Bush's advisers seem to have understood before the rest of us that news has just about disappeared from U.S. commercial television, replaced by as many shots of pure emotion as the producers can manage to get on the screen in a half-hour segment.

We now watch Dan Rather and "The Evening Emotions." One day they unveiled filmed interviews with frightened schoolchildren after a shooting spree in a Southern school. These snippets convey no information, but repeat the same expressions of the children's fear and horror. The next day the televised "stories" about the launch of Discovery consist of repetitive interviews with inarticulate onlookers who had nothing more to say than that it was great for America to be back in space and how all they could think about in the flight's first moments was Challenger.

Watching the news from home, upside down time-wise, is the lesser burden Americans abroad have to bear in this election season. We are also called upon to explain to our foreign friends and acquaintances these candidates, their running mates, their campaigns and the public's reaction. We cannot retreat into the shared resignation or outrage of two Americans discussing the campaign. And we cannot gloss, because the European press has been reporting the dreary deplis of this campaign with uncooaled chortling.

The Conspiracy Theories Come — and Go

By Pierre Salinger

LONDON — As Nov. 22 nears, it is not surprising that press and television commentators should be looking back at the presidency of John Kennedy 25 years after his death.

Nor is it unusual that his assassination should still be the subject of investigation. From the start, many Europeans believed that a conspiracy lay behind the president's death. In the United States, most Americans at first believed the Warren commission's finding that President Kennedy had been killed by a madman, Lee Harvey Oswald, working alone. But over the years, and with the publicity that grew out of the Watergate affair and the congressional investigations of the CIA in the 1970s, some Americans moved to the European view — yes, there was a conspiracy.

This view has been fanned by scores of books and television shows purporting to prove that Mr. Kennedy was killed by the Mafia, by the CIA, by rich Texas businessmen, by the Soviets, by the Cubans or by some other group. Some of these inquiries have been conducted conscientiously by journalists or others seeking a definitive explanation of the circumstances of the killing.

The two-hour documentary shown Oct. 25 on British television falls into the latter category. The program first attempted to debunk the Warren report's findings and

to prove that powerful (but never identified) people in the United States orchestrated an immense cover-up of the facts. No one can argue that the Warren report left many questions unanswered. But the British documentary went further, saying that Lee Harvey Oswald had nothing to do with the Kennedy assassination, though the young man's role was reconfirmed by the findings of an in-depth congressional investigation in the 1970s. A central piece of "evidence" presented

on the program was a black-and-white Polaroid picture on which, according to the producers, the outlines of the killers were visible. Lines were drawn over this fuzzy photo to help viewers see the men's positions, and color was added to make it clearer what the men were wearing. For all that, the picture could as easily have been used to prove the presence of a cow.

That there might have been a killer on the grassy knoll near the Kennedy parade route, firing from another direction than Lee Harvey Oswald, remains open to question, as the congressional committee indicated in the 70s. This has not, however, been proven, and it certainly is not proven by the shadowy Polaroid.

But the real damage to journalistic integrity came later in the program when producers named three Marseille gangsters as the president's killers. The first source of this information was Christian David, a Frenchman who spent years in American jails for his role in the French Connection drug ring and who now is in a French jail facing charges in the murder of a police commissioner. He is a man of no credibility. The program's second source was an informer from the U.S. Drug Enforcement Agency, seen on camera only with his face covered.

And that was it! The investigators made no effort to find out if, by chance, those men could have been in Dallas on Nov. 22, 1963. We now know that two of them were nowhere near the scene of the crime. One was aboard a French minesweeper in the harbor of Toulon (as verified by the Defense Ministry in Paris). The second was in prison in Marseille (as the Justice Ministry confirmed). The third man, a French newspaper has established, was on sick leave from his job in Marseille as a docker, having lost an eye. Is it possible to believe that such a man was recruited to kill the American president?

This information, of course, destroys the British theory, demonstrating once again how hard it is to make a solid case for conspiracy in the Kennedy killing. For seven years I have had a thick dossier alleging that three other Frenchmen, linked to the OAS, killed the president. That file suffers from the same lack of proof as the British program.

Just a month ago, a new theory emerged on Lincoln's assassination in 1865. I have no doubt that 100 years from now investigators will still be trying to determine who killed John Kennedy.

The writer, who was press secretary to President Kennedy, is senior editor-Europe for ABC News. He contributed this column to the International Herald Tribune.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

At the Papers: Season of the Hamlet-Like Mode

By Richard Harwood

WASHINGTON — The Chicago Tribune in 1936 had an unambiguous view of the Roosevelt administration, which was expressed as a slogan in its editorial page: "Turn the screws out." At the fall election approached that year it published a daily admonition for its readers: "Only [X] days in which to save your country. What are you doing to save it?"

The passion and partisanship that inspired this bombast are largely missing from America's newspapers today. Columnists still attempt to maintain those traditions and provide mass entertainment by hurling *bons mots* and cotton-candy hand grenades in all directions. But publishers no longer kid themselves that they are "kingmakers" or political heavyweights. FDR, like Ronald Reagan, taught them that their huffing and puffing as often as not is to no avail.

Editors, probably more sophisticated and certainly more independent today than in the past, have grown uncomfortable in the role of journalistic Jimmy Swagart, preaching the One-Time, 100 Proof Doctrine of Political Salvation. They tend to see a world in which the primary shades are not black or white but gray.

As for the large corporations that own 74 percent of the daily newspapers, disinterested toward the ideals of democracy is becoming a standard public posture. Knight-Ridder, News-house and Gannett allow the managers of their "many properties" to endorse whomever they wish, whether for the presidency or for the local sanitary commission. Don Hicks, a vice president of the Thomson chain, which owns more than 100 American newspapers, described this corporate detachment nicely in a recent magazine interview: "We do not get involved in anything along that line. It reminds us of an enduring truth: The main business of the newspaper business is business.

There are exceptions to this pattern. The

Scripts-Howard chain, according to the American Newspaper Publishers Association, requires its 15 newspapers to hew to a single editorial line, which means, this year, endorsements of George Bush. An executive at the American Press Institute predicts that at some newspapers there will be "damn good arguments and fist fights." An editorial page editor in Newport News, Virginia, says that "there may be some fingers broken" during the political endorsement debate. The Atlanta Journal and the Atlanta Constitution, owned by the same family and managed editorially by the same editor, Bill Kovach, solved the problem by endorsing George Bush in the Journal and Michael Dukakis in the Constitution.

I have no firsthand knowledge of the endorsement process at The Washington Post, but it has never, so far as anyone recalls, resulted in the physical disability of any of the participants. It seems to be, however, a rigorous, agonizing and prolonged intellectual exercise that may or may not result in a laying on of hands. But it will, in an institutional sense, stake out the political and philosophical ground on which the newspaper stands in the year 1988 A.D. The paper endorsed Dwight Eisenhower in 1952, then abstained from presidential endorsements until 1976, when Jimmy Carter along with numerous local candidates got the nod. Mr. Carter won an ambivalent endorsement in 1980, and Walter Mondale in 1984.

The main players in this process are the editor and deputy editor of the editorial page, Meg Greenfield and Stephen Rosenfeld; their staff of six editorial writers and, not insignificantly, two members of the proprietorial family, Katherine Graham, the chairman, and Donald

Graham, the publisher, who are themselves sometimes in political disagreement.

Herlock, the editorial page cartoonist, is not involved in these proceedings and, like the various columnists in The Post's literary stable, goes his own way politically, speaking for himself but not for the newspaper. Nor are the managers of the newsroom involved — Benjamin Bradlee, the executive editor, and Leonard Downie, the managing editor.

The huge newsroom staff, thought (by me) to be viscerally Democratic and L — in its sympathies, lurks in the wings as a sort of silent, nonvoting regiment of Jimmy Crackers, peering, in a metaphorical sense, over the shoulders of the editorial custodians of the newspaper's "soul." They would, if given a vote, go like a shot, I suspect, for Mr. Dukakis. But the Grahams, Meg Greenfield and their editorialists obviously have been in a Hamlet-like mode. If there had been a clear and compelling choice between the presidential candidates, they would have declared themselves before now.

Their instincts historically have been somewhat left of center, but they have become of late less doctrinaire, more unpredictable and, in matters of foreign policy, stoutly unsentimental. No one, let us hope, is so foolish or filled up with self-importance as to believe that the electoral fortunes of Mr. Bush or Mr. Dukakis will be much affected by the endorsement of The Post or any other newspaper. The sources of political power in the country, despite all the fashionable blarney about "media politics" and voter manipulation, reside in an electorate that grows more educated each year and asks, as the dying Goethe asked, not for more heat but for more light. Newspapers and their editorialists, when they do a proper job, turn on the switch.

The writer is ombudsman at The Post.

LETTERS TO THE EDITOR

Of Media and Mediocrity, Man and Image

Each night American television allows the presidential candidates to get their word in edgewise, but anything requiring any time to express is banished to oblivion. During the party conventions, the networks broadcast only a few speeches, preferring to fit about the floor for superficial interviews.

Perhaps they could begin by inviting future candidates to submit to a live test of their factual knowledge of political subjects. Let us see whether the candidates know, for example, that one tribe in Burundi has massacred thousands of members of another tribe (let alone which tribe did it to which). Let them try to provide the latest figures for the federal budget deficit and the national interest paid on it. This might start the candidates thinking about things more important than the next photo opportunity or the next chance to disparage the character of the opponent.

DUNCAN CALDWELL, Paris.

Regarding the report "Behind Bush, a Strategy of Control and a Man Named Baker" (Oct. 3)

The Bush campaign has shown cynical disregard for the voters by concentrating on image manipulation. Mr. Bush has avoided addressing concrete issues (which is understandable considering the Reagan record) and focused instead on Mr. Dukakis's supposed lack of patriotism. Are we voting for a man or an image?

KEITH ERVIN, Paris.

Regarding "No Longer the Envoy of the World" (Opinion, Oct. 12)

While Dan Quayle may not be entirely correct in saying America is the envy of the world, part of America's image problem is due to the tunnel vision of press folk like Richard Reeves, who write about New York City and think that covers America. There exists a whole continent between the coasts — let's hear about it!

Mr. Reeves also claims that some Europeans have gotten used to "free medical care and free education." Tell that to a Norwegian struggling with tax rates that would

scare most Americans back to the days of Herbert Hoover.

STEVEN T. MOHN, Oslo.

Regarding "Bush: Rechart America's River, Thatcher-Style" (Opinion, Oct. 19) by Cal Thomas:

If Mr. Thomas thinks Mr. Bush can follow the Thatcher example and "ram" through something called the conservative agenda, he had better consider the power and composition of the Congress. Mr. Bush's nebulous personal commitment and the American people's attachment to the fruits and the justice of the liberal agenda. (That agenda, by the way, is far from dead. It certainly lacks for a current spokesman, but its achievements are well in place.)

Mr. Bush seems destined to win, but I regretfully submit that it will be less from a consensus on the future than from a rather pathetic longing for the past.

HERMAN ARCHER, Giza, Egypt.

Bravo, Jim Fain, for an intelligent and perceptive article. Yes, patriotism also includes the care of the poor and the ill. And yes, "this land belongs to you and me" — which is what makes it great.

HENRI TAGNON, Brussels.

Mediocrity has become the norm for the presidential candidates of the major parties. The political system is becoming stagnant and ineffective. What can be done? Why not make the race for the

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ARTS / LEISURE

Elegance Is In, Opulence Out At U.S. Shows

By Suzy Menkes International Herald Tribune NEW YORK — The greatest on-off runway, Imelda Marcos is presiding at St. Patrick's in a simple black dress, a few globular pearls, a throwaway striped silk scarf and an oh-so-fanciest pin trembling with a minuscule spray of diamonds.

The Philippines' exiled dragon lady appeared in court in a floor-length green gown with butterfly sleeves, her necktie scooped on the bosom and her chignon held high. On the feet of the woman whose thousands of shoes symbolized corruption and caprice were the plainest black pumps.

A whisper went round the Bill Blass show that Madame Marcos had slipped into a back seat at the Pierre. She wasn't there, but she would have found that high society American designers have turned their backs on the opulence and extravagance of the greed decade.

Bill Blass showed elegant and pretty clothes Monday, fluttering with rainbow-colored chiffon. Carolina Herrera invested heavily in white crepe, and made it up with innocent femininity.

feel to a navy T-shirt, appliqued with a track number, and worn with navy and white skirts or pants. Evening separates included cricket sweaters and polo shirts with stripes and bodies worked in sequins, and a double layer of chiffon made into a casual top.

Chiffon evening dresses also took up the Indian theme, for colors were pink, apricot and orange, and draped of fabric across the shoulder were inspired by the sari. Two different colors were twisted into a knot at bosom or waist. The grand finale was a slender orange chiffon gown — its back cascading in a rainbow of bluish pink, fuchsia, melon and apricot.

Carolina Herrera said it, with crepe. Her soft, wide white pants — including shorter, calf-length culottes — went under anything from neat daytime tailored jackets, a swingy short top, or cropped navy spencers patterned with sequined stars and spots.

Wide-leg jump suits came out under loose, feather-light coats that also swung over shorter dresses to give a peppy effect of swing and cling. Skimp dresses in dark crepe looked a little drab, but a different version in her signature white crepe with short skirts flitting out above the knee looked young and fresh.

In a different mood, Norma Kamali continued her long-standing love affair with nostalgia by taking a trip to Coney Island when that was a recreational hot spot.

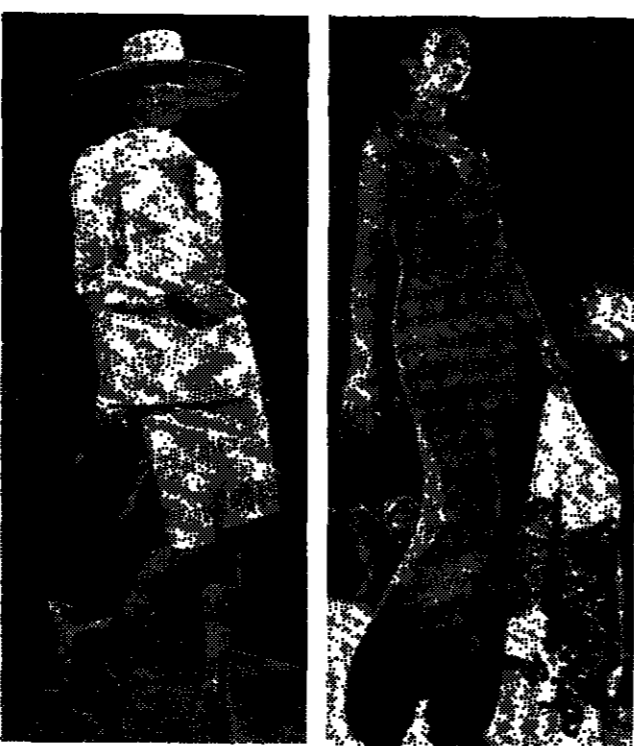
It brought out the best in Kamali, whose bias-cut wide pants and ankle-length slip dresses moved the focus away from her signature square-1940s-shoulder line, which was softer this season.

Skirts in New York have been generally safe and short. Kamali's were ultra long. A high-waisted pinafore line with cross straps at the neck balanced the length well, but long soft coats, caught up 1920s-style at the hips, looked as though they had come from the thrift shop.

Kamali is in her element with Hollywood mailots (a line developed for Bloomingdale's). They were all in white with draped halter necks and ruffled skirts. Two-piece swimsuits had deep tops and cone-length lower halves that were a long way from the teeny-weeny bikini.



Carolina Herrera focused on long dresses with flower prints.



Bill Blass: short for day, slinky with embroidered jacket at night.

McMurtry's Unromantic Old West

By Mervyn Rothstein New York Times Service "I'm a critic of the myth of the cowboy," says Larry McMurtry. "I don't feel that it's a myth that pertains, and since it's a part of my heritage I feel it's a legitimate task to criticize it."

The 52-year-old, Texas-born McMurtry, the author of the Pulitzer Prize-winning "Lonesome Dove" as well as of "Terms of Endearment," "Texasville," "The Last Picture Show" and "Horseman, Pass By" (his first novel, and the basis for the movie "Hud"), has spent much of his career trying to break down the myths of the Old West.

In "The Last Picture Show," "Texasville" and "Horseman, Pass By," he wrote of the largely negative effects that the values of the Old West had on contemporary life. In "Lonesome Dove," an 843-page novel about an 1870s cattle drive, he dealt with the disparity between the mythic West of pulp fiction and the much less romantic reality of day-to-day frontier life.

McMurtry continues the attempt in his new novel, "Anything for Billy," a fictionalized version of the last days of Billy the Kid. "If you actually read the biography of any of the famous gunfighters," he says, "they led very drab, mostly very repetitive, not very exciting lives. But people cherish a certain vision, because it fulfills psychological needs. People need to believe that cowboys are simple, strong and free,

and not twisted, fascistic and dumb, as many cowboys I've known have been." His criticism of the myths, he says, can be unpopular. "Some people read 'Lonesome Dove' as a reinforcement of the myth," he says. "They want to believe that these are very good men."

The worst effect of clinging to these myths is simplification, or rather oversimplification, he says, "not merely of the experience of the cowboy, but of human experience itself, as lived in the American West or any other place."

"You're dealing with a romanticization," he says. "The flaws in the structure are rarely described, are rarely pointed out. I don't think these myths do justice to the richness of human possibility. The idea that men are men and women are women and horses are best of all is not a myth that makes for the best sort of domestic life, the best sort of cultural life. It's very exclusionary. It is a code that for all practical purposes excludes women. It shuts almost everything out except nature and work, and I don't think that's good."

McMurtry lives a portion of the time in Washington, where he is part owner of a rare-book shop. He also spends part of the year in California, where he has occasionally written for the screen. He co-wrote the script of his "Last Picture Show" with Peter Bogdanovich. But he also spends part of each year in Texas, on the family ranch near Archer City, the model for Thalia in "The Last Picture Show" and

"Texasville." Most of his books deal with his Texas heritage.

"I'm interested in how legends arise," he says. "Take Billy the Kid. Here was a man, a boy, really, who had a short, commonplace life. How could he have produced a legend, and a bibliography with thousands of items in it? There's an element of sheer publicity in it. It was a time when the Old West was becoming very useful in popular fiction, for the exploits of Westerners were beginning to have importance in the national imagination."

"That moment" — the 1870s and 1880s — "the West, which has been so glamorized in myth, was actually ending. The open West was gone, the cowboys were becoming respectable, the mining towns were petering out. The ground for that body of myth was changing, becoming civilized, suburbanized. And more or less at the same moment, the popular press, as represented by the dime novel, was beginning to transform a very crude environment and an uncertain way of life into something heroic — which mostly it wasn't."

"It occurred to me in 'Lonesome Dove' that the men who drove the cattle up the trail were in the process of killing the very thing they loved. They knew it, and the knowledge lent poignancy to what they were doing, and their memories of it. And the point at which a certain way of life begins to die, and begins to be transformed into a very crude myth, is interesting. And that's the focus of 'Anything for Billy.'"

Exotic 'Blue Leaves' in a New Theater

By Sheridan Morley International Herald Tribune LONDON — The opening of a theater is always a cause for celebration, and it is greatly to the credit of Nick Hamm, the former Royal Shakespeare Company director, that he has chosen to launch

THE LONDON STAGE

the Baylis within the Sadler's Wells complex by giving a long-overdue London premiere to John Guare's exotic and eccentric "The House of Blue Leaves."

The play first turned up off-Broadway in 1971 but only became an established hit after the 1986 revival at the Lincoln Center. Set in the New York borough of Queens in 1965 when the pope came to visit the Big Apple, Guare's zany farce treats of a family on the borderline where the American dream turns into an urban nightmare. "When famous people go to sleep" as one of them proudly notes, "it's us they dream of."

Among the characters can be found many of the stalwart misfits of comedies by Kaufman and Hart. There's the failed songwriter and sometime stockbroker (Dennis Quaid) and his mad wife (Nicola McAluffie) and the brain-dead doxy he wants to run away with

(Helen Lederer), and a son who's a bomber, and a friend who's a Hollywood triumph. Together they add up to a kooky tapestry of obsessive losers forever trying to slash their wrists with spoons or overcome gangs of marauding nuns.

Hamm's production has lost some of the intense comedy of the Lincoln Center revival, but he still manages to establish a dark farce about fame and madness and guilt and Oscars and fervent escapism and desperate failure and everything else that still gives America most of its manic intensity.

To the Strand comes "Can-Can," heavily rewritten so that instead of an appalling 1953 book by Abe Burrows we merely get a very bad one by Julian More. Patched into the score are a good many Parisian songs by Cole Porter, most of which have even less to do with the plot than those he originally wrote for it.

Porter's songs now work very much better in concert form than when his old plot-shows are dusted off. Though more once triumphantly turned "I'm a Dooce" into English, he has been defeated by the quintessential phenomenon of Porter's era, a never-ending always overflowing with knee-jerk dancers and amorous judges

and loveless brothel-owners singing numbers that have an astonishing lack of drama or energy.

It is also more than a little wasteful to use Donna McKechnie, a great show dancer, in a fundamentally non-dancing role that requires of her little more than a deeply embarrassing Apache number and a lot of the acting and singing at which she is less than wonderful. A really disappointing evening.

Forty years ago "Brigadoon" was the first Broadway hit of Lerner and Loewe (although their third show there) and the one that established them as the heirs of Rodgers and Hammerstein, albeit with a more literary and European bent.

Seen now at the Victoria Palace in its first major London revival, the plot is admittedly extremely creaky, a weird hodgepodge of "Lost Horizon" and J.M. Barrie in which a couple of American time-travelers come across a whole community that only surfaces once every hundred years, and some might say quite often enough at that.

But those songs are still breathtaking. Around them it may be true that very little happens and very slowly, yet during every one of almost 20 classic numbers you are reminded of the sheer cascading

wealth of a Broadway musical world now as lost as "Brigadoon" itself.

Any show of the 1980s would be more than lucky to have just one of those songs: Lerner and Loewe supplied a dozen even before the interval, from "Bonnie Jean" and "Heather on the Hill" all the way through to "Almost Like Being in Love."

Lerner's problem was that, though a great lyricist, he lacked dramatic energy, so his books worked best when they were "Pygmalion" or "Gigi" or "The Once and Future King" and came pre-structured in already existing plays or tales. When he had to invent a story line, it was more than a little shaky but a hugely competent cast from Plymouth, working in clouds of dry ice and a production by Roger Redford, do their best to bring it back to a kind of life.

When you have seen one sword-dance you have seen them all, and Lesley McKie has an unrelenting charm as Meg, but Jacinta Mulcahy and Robert Meadmore are pleasant enough as the young lovers. Robin Newell gets what laughs he can as the Brooklyn buddy, and Leonard Maguire is suitably crazy as the old master of eccentric Scots ceremonies.

GENERAL NEWS

French Abortion Pill Controversy Sparks Church-State Feud

By James M. Markham New York Times Service PARIS — Reviving old enemies, church and state have stumbled, almost reluctantly, into a clash over the emotional issue of abortion in France. Although this is a highly secularized nation, a series of controversies has demonstrated the power and passion of committed Roman Catholics and has provoked an angry debate about both freedom of expression and a revolutionary new abortion pill.

The firebombing of a Paris cinema house that was showing Martin Scorsese's film "The Last Temptation of Christ," which was denounced as sacrilegious by the church, and commando raids and threats against other movie houses have effectively prevented it from being shown. Free-thinking France, where fewer than 14 percent of the people regularly attend Roman Catholic church services, has earned an unusual distinction in Western Europe.

Church leaders have also protested a film by Claude Chabrol, "Une Affaire de Femmes," which tells the real story of a woman abortionist beheaded by the Vichy authorities in 1943. At least one movie theater has censored the film to remove a

predictable outpouring of criticism from health specialists. "I know that abortion is a major theme in the American election campaign," said a senior adviser to Prime Minister Michel Rocard, noting that protests over the Rousset pill were much fiercer in America than in France. "But here in Europe we are much more cool about it. Abortion is taken for granted."

After being named prime minister in May, Mr. Rocard, a moderate Socialist, observed with satisfaction that one of France's most ancient quarrels — pitting the Roman Catholic Church against anti-clerical Republicans — was over. Yet today both Mr. Rocard and the Roman Catholic hierarchy are concerned about ferment on the religious right, though for different reasons.

The Socialist Party has unhappy memories of street protests in 1984 — fueled by Catholic militants — that defeated its attempt to bring church and other private schools under tighter state discipline. And Mr. Rocard, now at the head of a minority government, is busily seeking alliances with Christian Democratic "centrists" who have close ties to the church.

Though himself a Protestant, Mr. Rocard made his career in coalition with leftist Catholics and, at a time of sharpening labor unrest, he was hardly eager for an additional confrontation with the church. But, by the same token, he could not ignore the outcry from feminists and civil libertarians.

The church has its own dilemmas. Since the Vatican's excommunication last June of Marcel Lefebvre, the disident traditionalist archbishop, the French Roman Catholic hierarchy has been eager to woo the wayward prelate's followers back into its fold.

Hughes Portelli, an authority on the church who teaches at Nanterre University, said that the archbishop of Paris, Jean-Marie Cardinal Lustiger, and other clerics, had unwittingly stirred latent passions in the country by plunging into the fray on radio and television.

"They are a bit overtaken by the microphone and the camera and do not control the game," said Mr. Portelli, recalling that the cardinal had made television appearances first denouncing the Scorsese film and then those who had resorted to violence against it.

Fer-rigid Catholic traditionalists, who flock to the anti-immigrant standard of Jean-Marie Le Pen in France's presidential election, are not numerous; those willing to bomb a cinema amount to a tiny fringe. "There was a paradoxical situation where the church was covering its right flank and where the government, in order to continue its opening to the center, did not want to confront the church," observed Thierry Pfister, a political commentator.

Initial reactions from the church leadership were relatively moderate, suggesting that it wanted to avoid an all-out clash over abortion, which has been legal in France since 1975. Albert Cardinal Deboutray, archbishop of Lyon and president of the Episcopal Conference, said that the health minister's announcement "makes me want to speak out even more strongly" against abortion.

He suggested that, "removed from all passions," a state ethics committee should reconsider the abortion pill, which it has already considered once. "It is too bad to transform into a war of religion what should be a struggle for light, for man, for life," he said.

NEWS ANALYSIS

abortion groups in France, West Germany and the United States. The West German chemical giant that controls it, Hoechst A.G., feared a boycott.

But then, in an abrupt reversal, Claude Evin, who is the health minister and government spokesman, announced that he had ordered Rousset to manufacture the pill "in the interest of the public health."

The government effectively extended political protection to the pharmaceutical concern, which appeared to be keener than Hoechst to go forward with the pill. Rousset's head timed its withdrawal announcement to coincide with an important medical conference in Rio de Janeiro, producing

John Houseman Dies; Star of 'Paper Chase'

United Press International MALIBU, California — John Houseman, 86, who nurtured young actors as a director and producer in the United States before winning an Academy Award at age 71 for his role in the film "The Paper Chase," died here Monday of spinal cancer.

Mr. Houseman's career in radio, theater, film and television spanned six decades.

■ Fame Came Late in Life By Marilyn Berger New York Times Service

Mr. Houseman did not achieve fame until his performance as Professor Kingsfield in "The Paper Chase."

The role led to another well-known part, that of a haughty spokesman for a brokerage house in its American television commercials, delivering the line: "They make money the old-fashioned way. They earn it."

But these popular successes, which brought him wealth and fame, came in his later years. Mr. Houseman spent a lifetime in the theater both behind the footlights and in front of them.

As World Warms, Upheaval in Farming

By Barry James International Herald Tribune PARIS — A Joint East-West study group, in a report on the effect of global warming on agriculture, predicts that over the next few generations crop production will dramatically improve in parts of the Soviet Union while mountains of stockpiled grain in Western Europe are likely to grow higher.

The four-year study, to be released Wednesday, also predicts the buildup of an enormous rice surplus in Japan and says that cold countries like Finland and Iceland may become major agricultural exporters.

At the same time, it warns of a return to dust bowl conditions in the wheat belt of the United States and Canada, and an increased frequency of drought in large parts of the Southern Hemisphere.

The two-volume study, "The Impact of Climatic Variations on Agriculture," was produced by the International Institute for Applied Systems Analysis, near Vienna, in conjunction with the United Nations Environment Program.

The institute, set up in 1972 by the United States and the Soviet Union to help ease world tensions, is supported by scientific organizations in 16 member countries. It employs about 100 scientists and 100 other staff members, evenly selected from East and West.

The institute says its climate project is the most detailed of its kind

in estimating the long-term impact of a warming trend on agriculture. In describing scenarios for what might happen in the next century, it extrapolates from past climatic phenomena — such as the 1982-1983 series of droughts in the Southern Hemisphere — and assumes that the amount of carbon dioxide in the atmosphere will double.

Carbon dioxide, which results from the burning of fossil fuels and the elimination of forests, traps the sun's rays and is primarily responsible for the warming trend known as the greenhouse effect.

"Present assessments," the report says, "indicate that increases in global mean annual temperatures of between 1.5 and 5.5 degrees centigrade are likely to occur as a result of increases in carbon dioxide probably between 2050 and 2100." That is roughly the equivalent of 3 to 10 degrees Fahrenheit.

But predicting exactly when or to what extent climatic changes will occur is still an inexact science. The study points out the impossibility of accurately predicting rainfall or guessing how governments or farmers might react to a warmer climate.

Martin Parry of Birmingham University in England, who directed the team of 76 scientists taking part in the study, said the warming trend was likely to bring about major geographical shifts in growing patterns. He said it would also

"certainly increase the frequency and magnitude of severe shocks to agriculture from major floods, persistent droughts, soil erosion, forest fires and crop pests."

The aim of the study, he said, was to help governments work out timely and innovative changes before the change in conditions.

One scenario assumes substantial warming in the European part of the Soviet Union that could lead to grain yields up to 49 percent higher. However, increased rainfall could result in soil erosion and other degradation.

In Western Europe, the report said, "it is reasonable to envisage a growing problem of over-supply and an imperative to introduce further set-aside programs to take cropland out of production."

As growing seasons become longer, countries like Finland and Iceland, on the northernmost limit of agriculture, are likely to become more important competitors on the world agricultural market.

Finland, where farming is heavily subsidized, already produces more than its own population can consume. In Iceland, warmer weather is likely to result in dramatically higher grass growth and yields of hay, making large parts of the country suitable for cattle grazing. It may also support the growth of forests of birch and spruce trees, the report said.

In northern Japan, it said, a combination of warmer weather and

the substitution of late-maturing rice varieties could increase yields by as much as 26 percent. The "buildup of an enormous rice surplus could become an important economic issue," the report added.

But in the Great Plains of North America, the possible impact of the greenhouse effect was indicated by a case study of the Canadian province of Saskatchewan.

The report said that if the situation there returned to the dust bowl conditions of the 1930s, marked by severe droughts and heavy wind erosion, farm production would suffer, with the loss of nearly 4,000 jobs and more than 500,000 Canadian dollars (\$410,000) a year in farm and other income. The area accounts for 50 percent of Canada's wheat production and for one-sixth of the wheat sold on international markets.

French Interests Hit in Spain Reuters BILBAO — Small bombs exploded in two Renault car showrooms in the northern Basque province of Vizcaya on Tuesday, causing damage but no injuries, local officials said. A bomb was defused in a third showroom. French interests like car showrooms have been a frequent target of Basque separatists.

Dining Out - A directory of restaurants in Paris, including Ginza, Ashiana, La Chevalerie, Jarrasse, L'Alsace Aux Halles, Kitty O'Shea's Pub, John Jameson, Indra and Vishnu, Diapason, Raffatin & Honore, and others.

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صكراحت الاصل

# Consensus in the Netherlands

## Imbalances Plague Efforts to Reduce 14% Jobless Rate

By Ronald van de Krol

**A**MSTERDAM — For a full year, the PTT, the Dutch post and telecommunications company, offered its employees a bonus of 1,000 guilders (\$475) each for every woman they could help bring into the organization to fill managerial positions.

In a somewhat similar attempt, the Delft-based biotechnology company Gist-brocades offered to pay 5,000 guilders to any employee who could come up with a qualified computer expert — male or female — to fill vacancies at the company.

The response, in a country with one of the most stubborn unemployment problems in the 12-nation European Community, was meager.

At the PTT, the experiment was discontinued last summer because "not one woman manager entered the organization through this route," according to a spokesman, Ger-Jan Versteeg. At Gist-brocades, the bonus system yielded only a couple of computer specialists, and the plan has since been dropped.

The hiring difficulties of the PTT and Gist-brocades are just two examples of the serious and deep-seated imbalances that plague the Dutch job market and frustrate efforts by the government of Prime Minister Ruud Lubbers to reduce the country's 14 percent jobless rate.

On the one hand, demand for highly qualified women and for highly trained employees in general has never been higher, or more difficult to satisfy.

On the other hand, the ranks of the country's 685,000 unemployed are increasingly made up of people who have been out of work for two years or more, who have low levels of training and schooling, and who consequently have little hope of finding the types of jobs that are being offered.

This situation presents Jan de Koning, minister of social affairs and employment, with special problems. Although the Lubbers government has presided over the largest amount of job creation of any EC coun-

try, the jobs are simply not being filled by the long-term unemployed.

At the same time, the rise in the overall number of jobs has coaxed Dutch women — who, compared with women in the rest of Europe and North America, have traditionally not worked outside the home — to try their luck on the job market, alongside the annual influx of school graduates.

This increase in potential workers has more or less kept pace with the increase in jobs, meaning that overall unemployment has barely fallen. Mr. Lubbers, who vowed at the start of his second four-year term in 1986 to reduce the jobless ranks to 500,000 by 1990, has already had to concede that this goal cannot be reached.

In addition, further scarcities of skilled workers loom ahead as a result of the "graying" of the population, meaning that women in particular are going to have to enter the labor force in greater numbers if these jobs are to be filled.

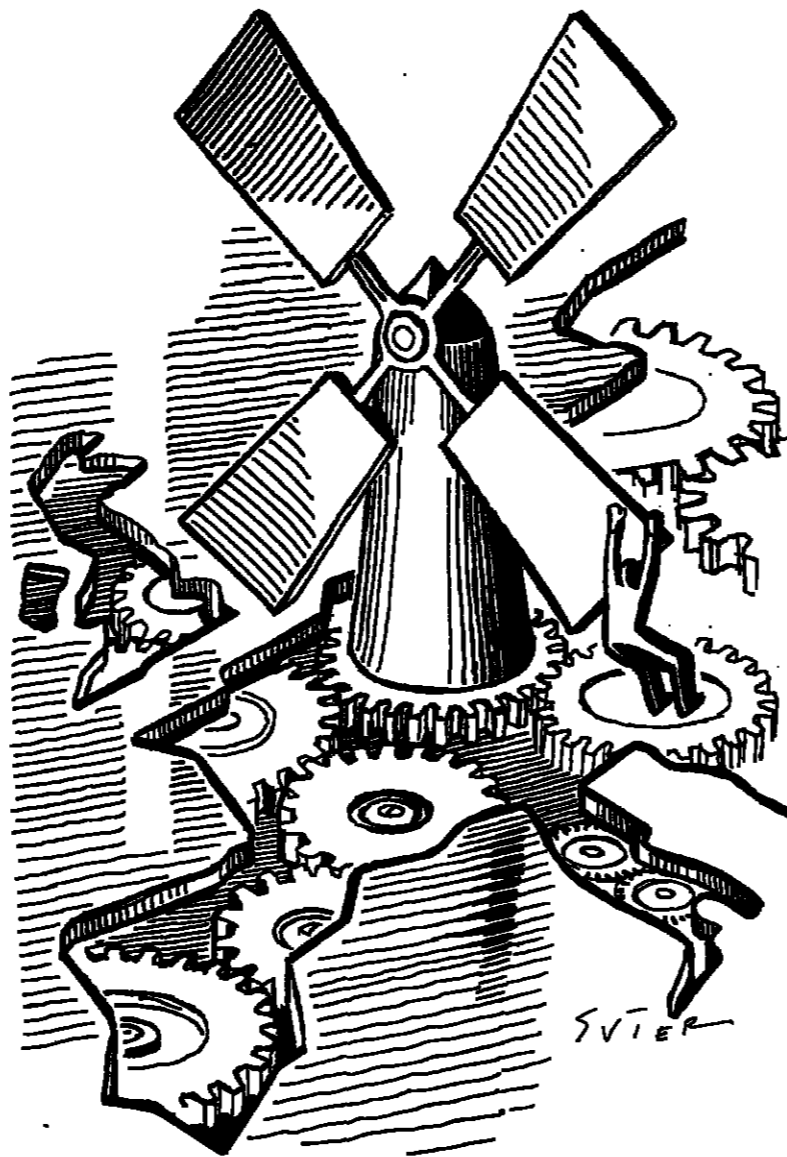
"There is already a very great need for experienced secretaries, and nurses and other medical personnel will also be in demand," said Sabine Soabeek, a product manager at Vedior, a temporary employment agency which runs special courses for women who want to re-enter the job market after years of working exclusively in the home.

The Netherlands has the lowest percentage of women in the work force of any country in northern Europe with the exception of Ireland. In 1987, for example, only 40 percent of Dutch women worked outside the home, compared with more than 50 percent in most comparable European countries and as much as 65 percent in the United States.

The discrepancy becomes even larger in the upper reaches of Dutch corporations and government.

Anne-Marie Coppens, chairwoman of the Women and Management Foundation, a recently established head-hunting firm that aims to find senior women managers for Dutch businesses, estimates that less than 5 percent of top managerial jobs are held by women in the Netherlands.

Women's groups say that the government



David Sauer

will need to pump more money into child care if the Netherlands is to build up its female work force. At the moment, only one in five working mothers has organized child care at her disposal, statistics show. As a result, two-thirds of first-time mothers quit their jobs after giving birth, while the rest tend to work shorter hours and make private babysitting arrangements with parents or neighbors.

While the projected scarcity of female labor is still several years away, the problem of finding jobs for the long-term, unskilled unemployed is more immediate. Of the

685,000 people registered as unemployed last year, more than 235,000 had been out of work for two years or longer. According to figures published by the Social Affairs Ministry, three-quarters of the long-term unemployed had less than a high school education.

Particularly hard-hit are the "guest workers" who were recruited chiefly from Turkey and Morocco in the 1960s and 1970s to work in Dutch industry. Since the recession of the early 1980s, when thousands of jobs were eliminated in the textile and shipbuilding

Continued on page 10

## EC's 1992 Deadline Helps Blur Party Lines

Every Dutchman is part vicar and part trader — claiming the high ground but adept at deals.

By Henry Tanner

**T**HE HAGUE — Prime Minister Ruud Lubbers, who for six years has been heading a center-right government that believes in privatization and fiscal frugality, is getting good marks even from the Socialist opposition.

"Consensus," "no-nonsense politics," "new realism" and "new objectivity" — after the no-frills art movement of the 1920s — are the political catchwords of the day, summing up the determination of the political parties to get along with each other.

Two issues of left-right confrontation that clouded the 1970s and early 1980s are no longer on the agenda.

The conflict over the North Atlantic Treaty Organization's plans for stationing new U.S. cruise missiles on Dutch soil was moot by last year's signing of the U.S.-Soviet treaty on intermediate-range nuclear weapons.

And the debate over the future of the welfare state has been resolved to the extent that the Labor Party has dropped its maximalist positions of earlier decades while Mr. Lubbers has managed to convince most Dutchmen, even of the left, that he is cutting little more than the fat from social spending and is leaving the welfare system itself intact. What continues is a debate on how much and where to cut.

On both sides of the left-right divide, officials now feel that a coalition between the opposition Labor Party and Mr. Lubbers's Christian Democrats should be attempted after the next parliamentary election, in early 1990.

Even a coalition between Labor and the conservative Liberals is not ruled out — so whittled down have the ideological differences become. The Liberals are the junior party of the Christian Democrats in

the present government. But many politicians feel that the coalition is beginning to show the fatigue and that tension between Mr. Lubbers and Voorhoeve, the Liberal leader, has been growing the last year.

The newfound moderation of the parties of the welfare state is largely due to a new urgency prompted by the creation of a new common market after 1992.

The Dutch, for the most part, have advocates of a united Europe for as they have just been told that their country is mostly of the wrong kind.

In a new book entitled "The Netherlands: A young political scientist, Paul Schmitter, being a small trading nation and aggressive nationalistic impulses, the Dutch have been idealized, unproblematic and

The book's cover shows a heraldic animal, sitting on a globe. Being satisfied is not satisfied, the author said in an interview.

The Dutch tend to think of themselves as a really enlightened country, idealized self-image is a part of the national identity, added, because it underpins the others. Countries like the Netherlands will behave like the meek powers they are and will not resist and Europe must try to do so.

The author, who is clear that for these reasons it is nuclear-free Europe, a Dutch Socialist. He is every sort of will be tough and between Europe and planners and industrialists latter point.

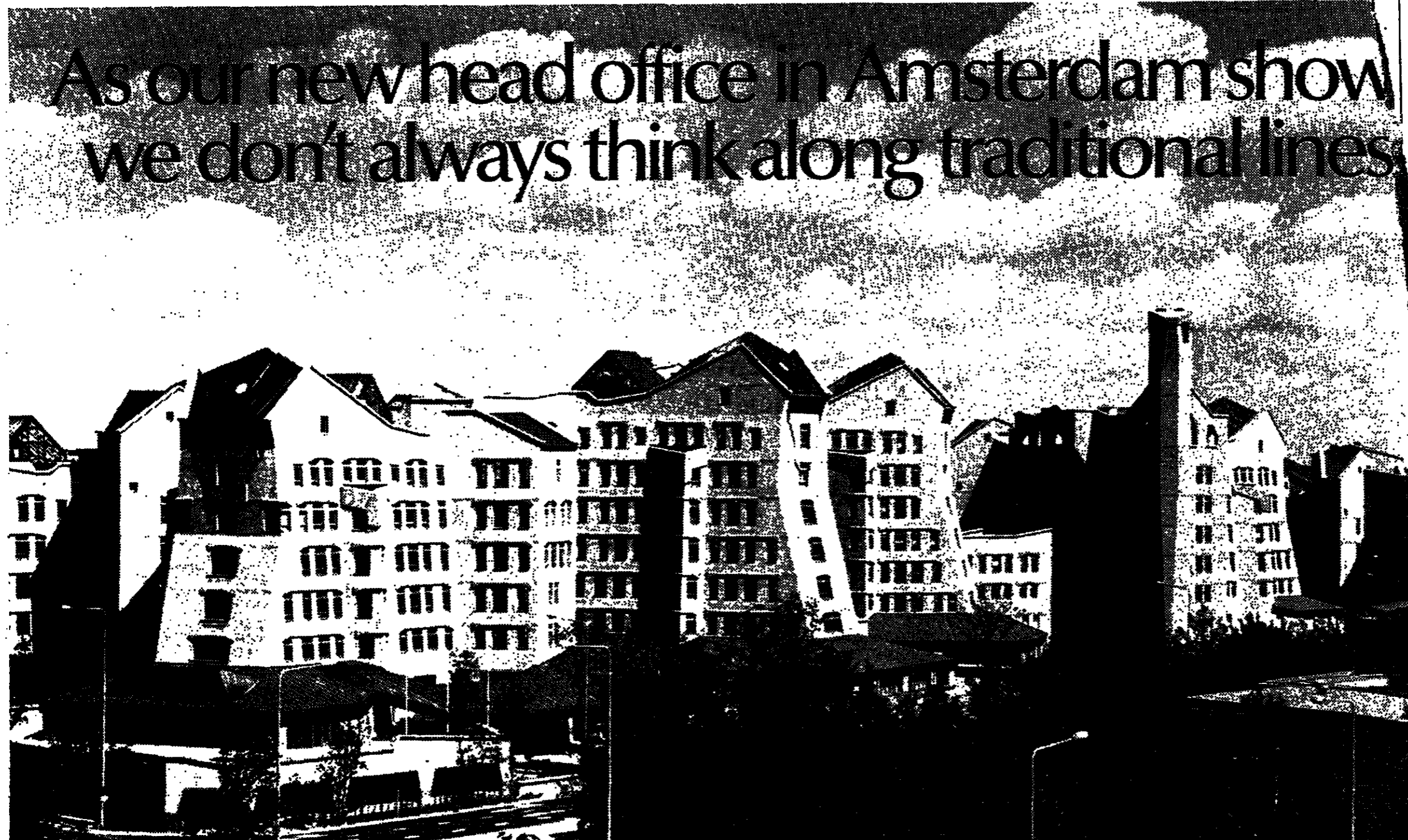
Queen Beatrix, delivered a policy statement this year, challenges of 1992.

"The idea of 1992 is not are asking: Will we be able to costs too high? Are our standards good enough?" said Abraham, Amsterdam University who are legitimate but must not be eagerness to cut labor of

Being a nation of farmers, underdeveloped industries are judged to be vulnerable.

Geography plus trading an

Continued on



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مصرفنا معكم في كل مكان

# 'No-Nonsense' Management Reaps Its Rewards

By Ronald van de Krol

**T**HE HAGUE — Halfway through his second four-year term, Prime Minister Ruud Lubbers can point with satisfaction to a clutch of economic successes: Inflation is all but nonexistent, interest rates are low, company profits are up, corporate investment continues to be strong and exports remain buoyant.

In short, the economy, under Mr. Lubbers' "no-nonsense" style of economic management and his assaults on the runaway government spending that marked the prosperous 1960s and 1970s, is far removed from the state in which Mr. Lubbers' center-right coalition found it when he assumed office in the midst of recession in 1982.

Some of the credit for the turnaround can be pinned to the resilience of world trade, a key factor in the health of the export-oriented Dutch economy.

Mr. Lubbers and his coalition have garnered much of the credit, too, putting them in a strong position in the run-up to the general election of 1990. Mr. Lubbers has already taken the unusual step of announcing two years in advance

that he will be seeking a third term.

But for all his economic successes, Mr. Lubbers still faces the supreme intractable problem of unemployment as well as a nagging concern — state finances.

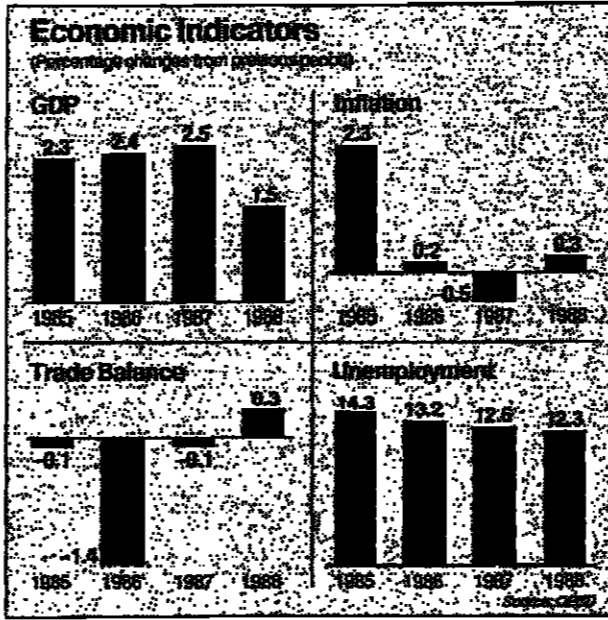
In the flush of his re-election victory in 1986, Mr. Lubbers said that reducing the country's unemployment would be his top priority, and he promised to lower unemployment by 50,000 a year to 500,000 by 1990.

Mr. Lubbers' willingness to go on record with a specific target is bound to come back to haunt him when campaigning begins in earnest. Already, his government has acknowledged that, with unemployment still hovering just below 700,000 for an official unemployment rate of 14 percent, this goal is unattainable.

Still it seems that the government can continue to count on good news on the economic front right up to the next general election.

In its annual September forecast accompanying the government's budget for the coming calendar year, the semi-independent Central Plan Bureau published its most optimistic assessment for years. Industrial production in 1988 is forecast to rise by 3.5 percent, the second-highest result so far in the 1980s, while national income, adjusted for inflation, is tipped to show 3 percent growth in 1989 after increasing by a projected 1.75 percent in 1988.

The 170 billion guilder (\$85 billion) budget for 1989 also contained an abundance of good fi-



Los Angeles/International Herald Tribune

In 1989, for example, the central government will spend 21.9 billion guilders on serving its debt, marking the second-largest single item of expenditure after education.

The state of the government's finances prompted Wim Duisenberg, president of the Dutch central bank, to complain earlier this year about the slow pace of putting them back in order.

"The widely held view that we have gradually made decent advances in restoring the health of public finances is perhaps based on wishful thinking, hope or anxiety fatigue or whatever, but not on the facts," he said.

In an interview, Finance Minister Onno Ruding said that Mr. Duisenberg's criticism was partially justified.

"We have a deficit that is too high, and we could and should have done more," he conceded. "But he has disregarded a major factor in which we, unfortunately, are unique, and that is the enormous drop in gas revenues."

Revenues from natural gas production have collapsed dramatically, reflecting the weakness of oil prices and the fall of the dollar, both of which ultimately translate into lower gas prices.

Between 1985 and 1987, gas revenues plummeted from an annual 23 billion guilders to 7 billion guilders. "That 16 billion guilder drop is equivalent to 4 percent of GNP disappearing in the space of two years," Mr. Ruding noted.

The dwindling of gas revenue is symbolic of the changes in Dutch society and the Dutch economy over the past 25 years. In the

1960s, the coming on stream of natural gas production in the northern province of Groningen heralded the advent of unprecedented prosperity in the Netherlands and the establishment of an elaborate and generous welfare system providing subsidies and grants to artists, industry, minority groups and, later, to just about any worthy social project.

In the first years of the Lubbers government, welfare payments were lowered and then frozen, although they remain generous by most standards. For example, people who draw disability payments — and the Dutch have the world's highest percentage of disability recipients — now receive 70 percent of their former salaries until they reach the age of 65, down from 80 percent in the early 1980s.

Mr. Ruding noted that the government had succeeded in reducing unemployment among young people and school-leavers generally. What remains, however, is a hard core of long-term unemployed, whose skills and schooling do not qualify them for the vacancies that do exist.

While he acknowledged that some "stagnation fatigue" had set in, making it more difficult for the cabinet to enforce budgetary discipline, Mr. Ruding said efforts to control state spending will have to continue into the 1990s, adding that support for fiscal frugality was broadly based.

"There is broad support — even from the Socialist opposition, unlike a few years ago — for bringing down the budget deficit after 1990," he said.

John Cooper/Reuters  
Expected to be the largest share offering Amsterdam stock exchange.

## Pace of Privatization

By Madlyn Resener

While privatization in Britain has been a politically sensitive issue in the Netherlands, it is Dutch pragmatism.

The government has quietly shifted to a policy of state-aided listings, such as KLM, and 550 million guilders for Postbank NV, a commercial bank, and a postal service.

By the time the last coal mine was closed in 1973, the company had a fast-growing chemicals division, though it soon ran into difficulty in the late 1970s, which brought higher raw material prices and culminated in the 1982 recession. Since then, the company has climbed back to respectable profit levels. Last year it reported a net profit of 442 million guilders on revenue of 9 billion guilders.

The company will continue to receive 130 million guilders in a tax-free subsidy from the government for management of the country's natural gas activities. That will offer some protection from any economic downturn that DSM's competitors do not enjoy, analysts noted.

The government's initial sale of 30 percent of DSM is expected to raise 800 million to 1 billion guilders, making it the single largest offering of new shares ever on the Amsterdam Stock Exchange.

MADLYN RESENER is a financial journalist based in Paris.

percent ownership. DSM began expanding into chemicals in the 1930s.

After the discovery of natural gas fields near Groningen in the 1960s prompted a government decision to close the coal mines, DSM was left to pursue its chemical activities as the core of an ambitious diversification program. DSM was managed as a private company; the government acted merely as an advisor.

By the time the last coal mine was closed in 1973, the company had a fast-growing chemicals division, though it soon ran into difficulty in the late 1970s, which brought higher raw material prices and culminated in the 1982 recession. Since then, the company has climbed back to respectable profit levels. Last year it reported a net profit of 442 million guilders on revenue of 9 billion guilders.

The company will continue to receive 130 million guilders in a tax-free subsidy from the government for management of the country's natural gas activities. That will offer some protection from any economic downturn that DSM's competitors do not enjoy, analysts noted.

The government's initial sale of 30 percent of DSM is expected to raise 800 million to 1 billion guilders, making it the single largest offering of new shares ever on the Amsterdam Stock Exchange.

MADLYN RESENER is a financial journalist based in Paris.

## Loss of Tax Credits Alters Investment

**A**MSTERDAM — When the government announced last March that it was scrapping investment tax credits to industry, businessmen protested. They were angered by what they viewed as the government's renegeing on a pledge not to touch the subsidy until 1990, after the next scheduled national elections.

"A reduction of the incentives changes the investment climate, and that's troublesome for corporate decision-making," said Paul Verhaegen, director of economic affairs for the Dutch Federation of Industry, the main employers' organization.

Business leaders also were incensed by the way in which the change was announced — on a Saturday evening. That set many companies scrambling to take advantage of a 48-hour grace period to finalize investment contracts. On the Sunday, KLM Royal Dutch Airlines ordered two Boeing 747s, and a truck dealer in Limburg reported selling more stock that day than during the whole year. By some estimates, up to 1 billion guilders in investment may have been carried forward that weekend.

Relations between business and government have now been set right, since the subsidy plan, known as the WIR, was quickly replaced by a reduction of the corporate tax rate to 35 percent from 42 percent and the assumption by the government of a social security premium previously paid by employers.

The WIR was set up in the mid-1970s, when net investment by Dutch business had slumped to 2 percent of GNP because of high oil prices, lagging exports and the international recession. It was designed to cost 4.2 billion guilders a year, but companies made greater use of it than expected. As a result, the WIR had been running 2 billion guilders (\$1 billion) a year above budget since 1983.

"We had a serious problem with the cost of the WIR rising so quickly," said Anton Schoemaker, director of fiscal affairs at the Finance Ministry.

The government had actually begun scaling back the program some years ago by eliminating the subsidies in areas where it felt they were no longer needed. Rather than continuing to phase the premium out gradually, officials decided it would be better to eliminate it outright.

Abolishing it, said Mr. Schoemaker, not only saved the government money, but also put a stop to macroeconomic investment made exclusively for the tax break. It allowed

the government to put the Netherlands' corporate tax rate on a par with that in Britain, enhancing its competitive position within the European Community.

Officials estimate the cost of lowering the corporate tax rate at 1.8 billion guilders and the cost of paying for child subsidies at 2.3 billion guilders; that totals the amount budgeted for the WIR. But after 1990, the net effect on business will be a negative 1 billion guilders, said E. Frans Limburg, chief economist at Amsterdam-Rotterdam Bank.

"The net result for business is slightly negative, but the situation of business had improved tremendously, so I don't think this will be a deterrent to foreign investors," he said.

In general, more mature companies as well as labor-intensive companies will benefit more because the new measures favor hiring more workers.

"The WIR had served its purpose. It was time to abolish it," said Hubert J.A. Tubbeus, executive director of the Netherlands Foreign Investment Agency's office for Europe. The reduction of the corporate tax to 35 percent "brings us very well in line with the other EC countries."

Madlyn Resener

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Transformed City ■ An Enfant Terrible ■ Pride and Polders

# Eindhoven: From Hamlet to High-Tech

By Henry Tanner

**E**INDHOVEN — This is a company town in transition to another kind of life. When Philips, which now employs 330,000 people worldwide, started manufacturing light bulbs here 98 years ago, it had eight workers and was already the town's biggest employer.

Eindhoven was a sleepy hamlet of 6,500 people surrounded by pastures and woods. The glassblowers and other skilled workers that the fast-growing company attracted came from the more prosperous northern parts of the Netherlands and the town could not provide the amenities they required for themselves and their families. So Philips built what was needed.

By the end of the 1920s, there was a Philips Village of traditional one-family houses, Philips kindergartens, primary and high schools, Philips hospitals, sporting grounds, grocery stores, a Philips

theater, philharmonic, actors' guild and lending library. Teachers, doctors and midwives were on the Philips payroll.

And Mrs. Anton Philips, the founder's wife, set up cooking courses for the daughters of Philips employees.

"We were the most paternalistic company in Holland, and perhaps in Europe," said Jack Reemers, a Philips executive. That is a distinction the company no longer claims.

The image that Philips now wants to have is that of a well-run, no-frills modern company concentrating on its core business — consumer electronics, lighting, electronic components and information technology — in which it is among the world leaders.

Eindhoven has felt the impact of this strategy. Beginning slowly in the late 1950s and more rapidly since 1980, dozens of Philips institutions that "have nothing to do with electronics" have been turned over to the city or turned into

independent commercial operations.

The schools and the library are now run by the city. Three hospitals are run by nonprofit organizations. Doctors and midwives are private practitioners. The groceries have been sold to a private chain.

The housing department which is running the Philips Village and other housing developments now is an independent operation and rents to non-Philips people. The Philips Travel Agency, once serving the company only, is a profitable separate business serving other companies as well.

At least four sporting facilities have been turned over to the municipality.

Not all the changes were smooth. There were strikes — the first at Philips in about 50 years — and tough protracted negotiations earlier this year when the Philips food department with its 100-odd company mess halls was turned into an independent, self-supporting commercial operation. The change meant that several hundred employees were shifted from the Philips payroll to lower pay under the nationwide contract for catering personnel.

The city has been able to live with the changes. "Eindhoven is a boom town," said Joep Crolla, an editor at the Eindhoven Dagblad, the city's independent newspaper, even though Philips is no longer the dispenser of life-long job security and social services.

Philips is still by far the largest employer, with a local work force of about 33,000. The permanently lit Light Tower, where Philips tests its bulbs, is still the most prominent building. The Philips soccer team, PSV Eindhoven, the Dutch national champion which won the European Champions' Cup this year, is the pride of the town as well as the company. And the larger-than-life statue of founder Anton Philips still greets the traveler as he arrives at the central station.

But there is life outside Philips now. Greater Eindhoven, with some 300,000 inhabitants, today is a highly diversified, high-technology industrial area. Hundreds of

new companies, with from 10 to about 2,000 workers, have moved here or been created locally in the last 15 or so years.

"Some were founded by former Philips staffers; some are the local offices of major international companies that have discovered they must be here to become Philips clients, some are independent innovative high-tech companies seeking their own special niches in the European market," said Toon Saunders of the Regional Development Authority.

Eindhoven, the site of one of the Netherlands' three Technical Universities, offers a skilled work force, proximity to West Germany and Belgium and a busy small international airport of its own.

The regional development office was set up in 1982, in the depth of the recession, when it dawned on the townspeople that they could no longer sit back and let Philips take care of things.

Unemployment in the Eindhoven area reached a peak of 24,000 in 1984. Today it is down to 16,500, substantially below the national average of about 13 percent, according to the Dagblad.

Wim Ter Welle, the head of the union representing Philips' white-collar workers, said that Philips has reduced its work force in the Netherlands by 7,500 since restructuring began in earnest in 1980. More than 2,000 Philips jobs will be lost in the Netherlands this year, a company spokesman said.

In addition to voluntary departures, those who have been "forced to leave," in the words of a company official, are workers above the age of 55.

Philips, through lump-sum payments and banking facilities, is supplementing the unemployment payments made by the state. The terms of these arrangements, especially the length of notice given to employees, have been the subject of heated disputes.

The number of white-collar jobs is increasing in the area and the number of blue-collar workers has fallen.

"Philips has to restructure if it wants to survive," said Mr. Crolla of the Dagblad.

Mr. Ter Welle, the union man, did not disagree but criticized Philips for having started its restructuring too late and having made "awful mistakes" in the past.

"People used to think that Philips, like the pope, could make no mistakes and would never be in trouble," Mr. Ter Welle said. "We thought the end was in sight, but it isn't. A lot of Philips people fear for their jobs."



Downtown Eindhoven: The village has grown to a metropolis of more than 200,000.

## Black Humor Spices a Van Gogh's Films

By Mark Fuller

**A**MSTERDAM — The Dutch filmmaker, Theo van Gogh, has learned to live with the fact that his great uncle, Vincent van Gogh, will always loom large in conversations about his own work.

"It used to be a really big problem because the media always tried to compare the two of us as artists," he said. "I'm an entertainer, not an artist. But then again, the Van Gogh name has opened many doors for me, especially in America. I think Vincent is one of the last holy persons left in Holland. I've always wanted to make a movie parodying his life titled Golden Ear, but nobody would finance it," he added laughingly.

Black humor is a specialty of the 31-year-old film director. Mr. Van Gogh's past four films have established him as the enfant terrible of Dutch cinema and given him a cult following.

The controversy generated by some of his films' often taboo subjects, such as necrophilia and sado-masochism, and his frequent vitriolic attacks on establishment figures have guaranteed him a wide public notoriety.

But for all his verbal bluster and sardonic wit, Mr. Van Gogh is a serious and sensitive filmmaker. He began filming in his late teens because "it was such a fun thing to do — to create your own world."

His first effort, a 16mm black and white film about a slave-master relationship did not appeal to Amsterdam's film academy which turned him down. They advised him instead to see a psychiatrist.

"Maybe I'm perverted, but I certainly don't need a shrink," said Mr. Van Gogh.

He admits that his films are "a bit weird"



Mark Fuller

Theo Van Gogh in the Hall of Justice in The Hague, which he used for his latest film.

to outraged viewers that they were still alive.

"It was totally absurd," he said. "The viewers ignored a second TV clip from the film which showed far greater human suffering."

Mr. Van Gogh added, "We're basically a country of preachers, ever ready to condemn the regime in South Africa or a South American dictator. Yet, apartheid is a Dutch word, and Holland was one of the world's biggest slave traders."

His second and fourth films, "A Day at the Beach" (1984) and "Return to Destgeest" (1987) proved that he could handle major themes and attract mainstream audiences.

Mr. Van Gogh has just finished his fifth movie, provisionally titled "Showtime," which he describes as a romantic thriller. It tells the story of a famous lawyer who becomes engaged in the defense of a night club owner accused of a sexual killing. The lawyer falls in love with a woman sent by the night club owner to entice him to take on the brief. "He wins the case but loses the woman," Mr. Van Gogh said.

The film will be released in the spring and will also be distributed in Japan, marking Mr. Van Gogh's foreign debut.

True to form, Mr. Van Gogh has already managed to surround the film with controversy. By lambasting Rob Out, the head of Veronica, one of the biggest Dutch broadcasters, he forfeited the company's 250,000-guilder (\$125,000) contribution to the film's budget.

And to his producer's despair, he is now telling the media that the film's title has been changed to "No Potatoes," because, he explained, "there are no potatoes in it."

MARK FULLER is the Dutch-based correspondent for The Times of London.

## Reclaimed Flevoland a Symbol Of Battle Against Adversity

**L**ELYSTAD — The city of Lelystad and the flat neat pastures and wheat fields and fledgling industrial developments that surround it are "the newest but far from most dynamic region" of the Netherlands in the words of Mayor J.P.A. Gruijters.

The polder of Flevoland, northeast of Amsterdam, where Lelystad is situated, was reclaimed in 1957. It took 10 years to do the pumping, draining, seeding and tree planting and to build the cozy traditional dwellings, administrative buildings, recreational areas, roads, railroad and other infrastructure. In 1966, the first inhabitants moved into Lelystad.

Like all reclaimed lands, Flevoland is an object of Dutch pride, a symbol of the nation's battle against adversity.

"It is a good place to live in," said Mayor Gruijters. Housing is cheap and better than in the old cities. There are marinas, tennis courts, swimming pools and other sports facilities for children. The schools are good. So is the air, and Amsterdam is only 45 minutes away by clean, fast trains. There are woods and a huge bird sanctuary.

But not all has gone well. It was planned for 80,000 people but the planners overestimated the nation's economic growth rate. After 22 years, the city has 58,000 inhabitants and is growing by a few hundred souls a year, according to the mayor. Its infrastructure is too big and costly for its size. Unemployment is 19 percent, some 6 percent above the national average.

Almere, its twin city which was opened in 1976, 10 years after Lelystad, is about half the distance from Amsterdam and got many of the commuters for which Lelystad was meant. Its population is over 80,000 and growing by more than 4,000 a year.

Though built as a showpiece, Lelystad had no industrial core of its own to attract new industries. "We learned that you cannot force development; it has to happen naturally, a log does not move upriver," Mr. Gruijters said.

The land on Flevoland is among the best in Europe. The farms are between 48 to 56 hectares (120 and 140 acres) and mechanized — and size and equipment count. With the European Community setting prices to assure the survival of much smaller and less efficient farms in other countries, the local farmer-entrepreneurs have struck it rich quickly. Their latest profitable line is tulip bulbs for the United States and Japan.

But agriculture, though still the strong suit of the Dutch economy, is no longer the national priority that it was when the reclamation schemes were launched. To create new industries rather than grow more food is the national objective.

Another priority — to create new land for people to live on — also has lost its urgency, and long-standing plans to reclaim the last wide stretch of open water west of Lelystad and Almere have been shelved indefinitely, perhaps permanently.

Henry Tanner

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FROM AMSTERDAM TO 4 NEW DESTINATIONS

# Horticulture's Silver Lining

By Ronald van de Krol

**N**AALDWIJK, Netherlands — As the dark days of winter approach, a small group of farmers in the Netherlands' Westland region — the world's largest collection of high-technology greenhouses — is getting ready to trick nature into prolonging the growing season.

The farmers, using a new generation of powerful sodium lamps, will soon be flooding their greenhouses at night with orange-colored light to compensate for the weakness of the light during the northern European winter.

The intensity of the artificial light makes tomato plants, cucumbers, lettuce and roses think they are getting more light than is actually present, and they respond accordingly — by growing steadily throughout the winter.

The technique, called "assimilation lighting," is expensive, requiring a total investment of up to 1 million guilders (\$475,000) per farmer. But it is slowly catching on, marking a further advance in

Dutch horticulture's battle to use sophisticated, automated greenhouses to compensate for the lack of sun and warmth in the climate. But increasingly, greenhouses, and horticulture generally, are also helping to insulate Dutch agriculture from the politics of the European Community's agricultural policy.

As the EC tries to clamp down on overproduction of such products as milk and grain, Dutch farmers are stepping up their plantings of products that fall outside the price-regulatory domain of the EC — flowers, vegetables and fruit.

The adaptability of Dutch farmers, as well as their intensive growing methods, helps explain why agriculture, a key, export-oriented sector of the Dutch economy, continues to book new advances at a time when farmers in the rest of Europe are mostly confronted with declining incomes.

In 1987, Dutch farm incomes rose an average 3.6 percent, in sharp contrast to the 5.1 percent decline recorded in the EC as a whole. Overall, the Dutch agriculture and the foodstuffs industry

produced another hefty trade surplus of 17 billion guilders last year. Agricultural products again accounted for 25 percent of all exports, confirming the Netherlands' long-standing position as the world's second-largest agricultural exporter after the United States.

While the agricultural sector is certainly robust, there are problem areas. "Comparisons at the national level show large discrepancies between the various sectors," Gerrit Braks, minister for agriculture and fisheries, said in his 1989 budget statement. "Horticulture, for example, booked good results. By contrast, results in arable farming were disappointing."

The decline in cash crops was the result of lower grain prices, lower prices for unregulated products such as potatoes and onions, and reduced harvests last year.

The dairy sector, which still accounts for 30 percent of Dutch agricultural production in value terms, has generally held its own despite the introduction by the EC of a "super levy" on milk production several years ago.

Nevertheless, the levy imposed

on any surplus output above a fixed level, has clearly succeeded in reducing production, with Dutch milk output next year forecast to be 12 percent lower than it was in 1983.

Dutch dairy farmers, arguing that the EC's clampdown on overproduction threatens to create milk shortages, now want the super levy system to be made more flexible through, for example, allowing one farmer to "lease" his milk quota to another farmer. Mr. Braks has promised to launch a study of this and other options during the autumn.

In pig, chicken and calf husbandry, limits to growth of another kind have emerged. Until recently, farmers disenchanted with dairy farming could easily be persuaded to turn to pig breeding and poultry farming.

But now, following nearly two decades of steady expansion of the Dutch livestock sector, meat supplies appear to have caught up with demand.

Compared with the stagnation of the dairy and livestock sectors, which together account for 65 per-



Flowers are prepared for market in Aalsmeer.

cent of production, "horticulture under glass" is expected to show steady growth of 5 percent per year over the next few years.

David Luteijn, chairman of Cebeco-Handelaar, an umbrella organization for various buying and selling cooperatives in the agricultural sector, has estimated that animal-based agriculture will account for only half of production by the year 2000.

"By then, greenhouse horticulture will easily be the largest agriculture sector in the Netherlands," he said in a speech earlier this year. At the moment, horticulture, both under glass and in the open air, has a 30 percent share of total agricultural production.

# 2 Cities Hoping To Increase Role as European Gateways

By Frank De Jong

**A**MSTERDAM — The Dutch hope that their country will be able to play a major role as a "Gateway to Europe" when the European Community pulls down its inner borders at the end of 1992.

By and large, transport circles are optimistic that Rotterdam, as the busiest and largest port in the world, will retain its leading position, particularly in regards to European-bound cargo from North America.

The same goes, more or less, for Amsterdam's Schiphol Airport, the fifth largest in Europe, which has steadily improved its position as the turnkey for American freight destined for a number of countries in Europe.

The Dutch are worried that ports like Antwerp in Belgium, or Hamburg and Bremen in West Germany, are vying in wait to grab Rotterdam's leading position, not only in the shipment of goods for Western Europe, but for elsewhere in the world.

And while officials in The Hague claim that Rotterdam's position might, in the long term, be on the wane, the Rotterdam Port Authority is preparing to adapt Rotterdam from a simple transit harbor into Europe's distribution center.

Transport Minister Neelke Kroses believes that the Dutch can make the Netherlands a genuine European distribution center for goods from the Americas, the Far East and other countries.

Last year, Rotterdam launched an electronic message network, the International Transport Information System, to link the port's cus-

tomers to shipping lines, cargo agents and freight forwarders. The system is designed to facilitate a paperless transfer of data, allowing exporters and importers to keep track of cargo movements.

In 1987, Rotterdam retained its leading position by achieving an overall transshipment of 255 million tons, including 208 million tons of bulk goods and 47 million tons in general cargo. Developments in the crude oil trade caused a slight decrease in the transshipment of oil products last year: 19 million tons as against more than 22 million tons in 1986. But the flow of crude remained stable at 17 million tons.

At the moment, bulk cargo, such as crude oil, oil products, coal, iron ore and grain, still accounts for 80 percent of Rotterdam's tonnage. That percentage is expected to drop gradually, however, in favor of container transport/general cargo.

Amsterdam's Schiphol Airport is also chiseling a bigger niche in the world transport of cargo. Last year it handled more than 513,000 tons of incoming and outgoing cargo, a 14 percent increase over 1986.

The airport's spokesman, Rien Floris, is certain that this year's growth rate will exceed 15 percent.

Two years ago, Schiphol handled 148,000 tons of airfreight to and from North America, as against 170,000 tons last year. This year's figure may be approaching the 200,000-ton mark, according to some forecasts.

**FRANK DE JONG** writes from the Netherlands for the London Daily Express and Irish newspapers.

# 1992 Helps Blur Rivalries

Continued from page 7

Large Dutch retailing firms already boast the shortest delivery times in the world. Dutch companies are suppliers to the German automobile industry.

The Lubbers government takes credit for having put the country in a better position to compete after 1992. But most economists believe that more austerity is needed. The public debt remains staggering. Even Wim Kok, the head of the opposition Labor Party, recently declared that public expenditures must be cut further — and this, by definition, means further cutbacks in social payments.

The most notable single change in social welfare policies has been the tightening of the Disability Act under which anyone claiming "psychological disability" was able to get full compensation.

The act, which was created as one of the most spectacular features of the Dutch welfare state, is now judged to have been destructive for individuals and society. Young people who invoked it, sometimes as a last, discovered many years later that they were regarded as unemployable for life.

Unemployment remains one of the country's most urgent problems. New jobs have been created but have gone mostly to newcomers to the labor market — such as married women who are seeking employment in record numbers, a trend that had started earlier in the rest of Europe. Mr. Lubbers' promise to reduce the number of jobless by 50,000 a year has proved to be unrealistic.

The Lubbers government is trying to create a "responsible, caring society" said Arie Oostlander, the head of the Christian Democrats' think tank.

The idea, he explained, is for hundreds of institutions to act as "social partners" and to assume as many as possible of the responsibilities that previous governments had given to the state. Schools, for instance, should be independent

but subsidized; hospitals and similar institutions should be run by nonprofit organizations; unions, insurance companies, professional organizations, client and consumer groups all should deal with each other while the government confines its role to setting the ground rules and providing a framework.

So what is their mood as the Dutch are pondering their chances in Europe?

"Every Dutchman is part vicar and part trader, claiming to take the high ground but adept at making deals and driving a hard bargain," said Peter Brusse, editor of Elsevier weekly.

Mr. Scheffer's complaint about the lack of nationalist impulses notwithstanding, the Dutch went on an emotional binge when their soccer team won the European championship this summer.

The queen "reconquered" Amsterdam this year, Mr. Brusse related, when she got a tumultuous popular welcome during a walk through some of the city's tougher neighborhoods where anti-royalist feeling had been strong during recent years of social conflict.

J.P.A. Gruijters, a former minister of planning and now mayor of Leydsdijk, northeast of Amsterdam, is one of the voices warning against too much togetherness and satisfaction.

"Consensus is fine," he told a visitor, "but we are so in love with it that we don't see its ugly side. It is highly selective, based on not seeing rather than seeing. It keeps us from facing up to the public debt, for instance, the same with unemployment, the difference between the minimum wage and the dole is so small that people have no incentive to work, but we don't talk about this. We are not breaking old taboos."

**HENRY TANNER** is on the staff of the International Herald Tribune.

and in its September budget statement, the government acknowledged that imbalances on the labor market were causing problems and hinted at the possibility of either lowering minimum wages to create more jobs for low-skilled workers or reducing the social security premiums paid by businesses, thereby making it cheaper for them to hire unskilled labor.

In October, Mr. Lubbers put forward the idea of allowing employers to pay newly hired employees 90 percent of the current minimum for the first year. The idea is that reducing wage costs will encourage business to create more jobs at the lower end of the job spectrum.

But the proposal is highly controversial. Three previous attempts by the government to alter minimum wages have failed to garner enough support in the States General, or parliament.

# Imbalance in Job Scene

Continued from page 7

industries, many of these former guest workers and their families have never been able to find new jobs. As much as 40 percent of Turkish and Moroccan adults in the Netherlands are unemployed, the ministry estimates.

For all these reasons, "retraining" and "schooling" have become the latest buzzwords in unemployment policy, replacing the emphasis on shorter working weeks and a "redistribution of labor" that marked much of the early 1980s.

Seizing upon the new emphasis on job skills, the government launched a three-year project in April aimed at holding a personal "reorientation talk" with all the 170,000 people who have been out of work for more than three years.

The project, being carried out by the official government labor exchanges, is designed to produce a "personal action plan" consisting of either a place in a job-training scheme, suggestions for additional schooling or even a job.

**RONALD VAN DE KROL** is a journalist based in Amsterdam.

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WEDNESDAY, NOVEMBER 2, 1988

MADISON AVENUE

If They Loved It in Peoria, It May Play in Osaka, Too

By BRUCE HOROVITZ Los Angeles Times Service

LOS ANGELES — It hooked up Michael Jackson with the giant Japanese phone company Nippon Telegraph & Telephone. It matched Madonna with Mitsubishi Home Electronics. And it pegged Paul Newman as a pitch man for Fuji Card, a Japanese credit card. If you don't remember any of these commercials, you may not have seen them. The spots air almost exclusively in Japan. The agency behind the ads is the tiny Los Angeles division of Dentsu, the world's largest advertising agency group, with \$6.8 billion in billings.

Dentsu does also own a huge advertising agency in the United States called HDM. But separately, and for years almost anonymously, HDM has maintained a separate Los Angeles research unit. Its main mission is to determine who or what in America is hot — and who or what is not.

A Dentsu unit in Los Angeles tracks who or what in the U.S. is hot — and who or what is not.

After all, the agency figures, fads that catch on in the United States are strong bets to eventually catch on in Japan. One way to do the job, of course, is to understand Hollywood. With that in mind, several employees spend most of their time simply scanning through an estimated 200 American magazines, especially entertainment industry magazines like Billboard to Premier.

"We're not an ad agency," said Takashi Nakamura, a president of Dentsu Inc. of Los Angeles. "Our function is to export American expertise to Japan. We create concepts and we promote ideas." More than any thing else, however, Dentsu's Los Angeles office — which employs just 30 people compared to the more than 5,000 employed in its Tokyo office — serves as eyes and ears in the United States for its parent company. It researches everything from America's newest trends to its hottest celebrities. It then lobbies its senior executives back in Tokyo to match America's fast-rising fads with major Japanese corporate clients. "We're throwing the ball," said Mr. Nakamura, "and they catch it." The ad firm's top executives in Tokyo often demand mounds of documentation before they will buy into an American trend, said Mr. Nakamura. "I look for lots of articles to support my ideas."

MORE THAN A YEAR AGO, for example, the Los Angeles office tried to persuade executives in Tokyo to match a big corporate client with the fast-rising American singing star, Tiffany. At the time, however, Tiffany had recorded only one hit song. "That wasn't enough," said Hal Lifson, the agency's Los Angeles creative director. "They said that she had to become a star."

Since then, however, Tiffany has recorded several hit songs. And she has recently signed to star in a Japanese ad for Dentsu's client, the electronics division of Yamaha.

Meanwhile, Mr. Lifson is trying to convince Dentsu executives in Japan that some of America's comic book and cartoon heroes — including Batman, Archie and Gumby — could be very popular corporate symbols for some of Dentsu's Japanese clients. "They love American pop culture in Japan," he said. "And the Japanese have a much higher aesthetic appreciation for things like animation than we do. To them, it's not kid stuff."

Dentsu has had a Los Angeles office since 1961, but for more than 20 years it was primarily a place where clients went when they wanted a sightseeing tour of the Los Angeles area, said Mr. Nakamura. The office only had one employee until 1984, when the Summer Olympics in Los Angeles became a focus for advertisers worldwide. It was this office that played a role in linking Fuji with a blimp for the Olympics.

Now, the office is becoming more aggressive in helping its parent beckon U.S. companies who want to expand their corporate presence in Japan. It has, for instance, just printed a glossy brochure, boasting of its numerous marketing efforts. And the

Currency Rates

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Interest Rates

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Saudi Output Climbs

Peak Production At End of Month

Reuters

ABU DHABI — Saudi Arabia increased its oil output to a peak of 7 million barrels a day in the last week of October, in an effort to force OPEC to accept a new production agreement, oil industry sources said Tuesday.

Saudi output averaged 5.55 million barrels a day for all of October, up from 4.9 million barrels a day in September, they said. Saudi Arabia's daily quota, as set by the Organization of Petroleum Exporting Countries, is 4.343 million barrels.

"Saudi Arabia seems determined to apply the bitter medicine to OPEC until others agree on new output levels," said an oil industry executive, noting that a glut caused by high OPEC production hurt the kingdom the least of all the cartel's members.

The sources said Saudi Arabia was apparently flooding the market in advance of a meeting of oil ministers from the 13 OPEC countries in Vienna from Nov. 21, which is being held to consider a new pact on output and prices.

Oil prices fell Tuesday in New York. North Sea Brent slipped to \$12.24 a barrel from \$12.56 on Monday, while West Texas Intermediate, the benchmark U.S. grade, eased to \$13.43 from \$13.78 for December delivery.

The current OPEC output of more than 21 million barrels a day is at least 2 million barrels higher than the demand for OPEC oil, the industry sources said. The main obstacle to a new production pact is Iran's opposition to demands by Iraq to be allocated an equal quota.

Some executives cautioned that, even if OPEC agreed in Vienna to cut output, Saudi Arabia might find it hard to slow production. The sources said a steep rise in Saudi exports was the main reason behind the jump in daily output to 7 million barrels in the final week of October, from 5.3 million the previous week.

They said the kingdom's tanker chartering company, Vela, had hired about a dozen super tankers to load crude oil in November.



Cap Gemini Seeks to Circle Globe French Computer Consulting Firm Pursues Expansion

By Jacques Neher Special to the Herald Tribune

PARIS — Cap Gemini Sogefi, the biggest computer-software services company in Europe, is mounting an expansion drive in hopes of becoming one of the largest such companies in the world.

The concern, which specializes in software and computer systems consulting for medium and large-sized companies, is shopping for acquisitions in the United States. Earlier this year, it took a minority stake in a major British competitor, Sema Group PLC, and has reportedly been buying more stock in Sema Group recently.

To help fund the expansion drive, Cap Gemini plans to issue new shares this autumn to raise up to 600 million francs (\$98.4 million), it announced in September.

"We're in a business where growth is absolutely mandatory," said Michel Berry, corporate secretary. "Like in riding a bike, we have to keep moving or else we'll fall down."

The pressure for growth, he said, comes from the economics of the computer consultancy business.

Cap Gemini, the French computer-software services company, developed the first system to aid automaker Renault in repairing automatic transmission systems. The executive chairman Serge Kampf, right, is presiding during a period of aggressive expansion.

Key U.S. Index Slipped 0.1% In September

The Associated Press

WASHINGTON — The government said Tuesday that its main forecasting gauge of future economic activity edged down 0.1 percent in September, its second decline in the last three months reported.

The index of leading indicators rose 0.5 percent in August and 1.5 percent in June, but fell 0.7 percent in July.

Economists believe this roller-coaster performance is a signal that the economy, which was expanding at a robust pace in the first six months of 1988, is slowing.

Overall economic growth as measured by the gross national product dropped to an annual rate of 2.2 percent from July through September. Many analysts believe that this modest pace will continue in the current quarter and for most of next year.

David Wyss, an economist with Data Resources Inc., said the leading index was signaling a slowdown, which would give the economy's breathing room and lower inflationary pressures built up by heavy demand and tight labor markets.

"We are seeing a pretty sluggish leading indicator and that is consistent with where the economy is going," he said. "We are looking for an economy that is slowing but not stopping."

He predicted that GNP would grow 2.3 percent for 1989. GNP is the total value of a nation's output of goods and services.

In a second report released Tuesday, the Commerce Department said that construction spending rose 0.6 percent in September, to an annual rate of 3.4 percent, as strength in housing and government construction offset a decline in office building.

The 0.1 percent decline in the leading index was a bit weaker than expected. Many private forecasters were calling for a 0.2 percent rise. The August index, however, was revised upward to show a 0.5 percent gain, instead of the originally reported 0.4 percent increase.

The index, by focusing on forward-looking business statistics, is designed to give some hints of economic activity six to nine months into the future.

Many economists, who had at one time been fearful that the next U.S. president would face a recession in his first year in office, have revised that view and now believe the next downturn will not come until 1990.

But the leading index is signaling slower growth. For the past 12 months, it has risen just 0.7 percent, compared to an increase of 6.7 percent in the previous 12 months.

For September, the biggest factor holding the index back was a drop in plant and equipment orders, followed by a fall in building permits. Other factors depressing the index were a decline in raw materials prices and slower growth in the money supply. Falling prices are viewed negatively as a sign of lower demand.

Five of the available nine indicators made positive contributions to the index. The biggest positive force came from an increase in the average workweek. Other positive factors were a fall in initial unemployment claims, a rise in stock prices, a slowdown in filing orders and a rise in orders for consumer goods.

Michael Evans, head of a Washington forecasting firm, said he is predicting GNP growth of just 2 percent next year, reflecting a slowdown of the export boom that accounted for half of this year's growth.

"The export boom is clearly gone, capital spending has tailed off and consumers haven't been too eager to spend either," said Mr. Evans. "That is basically the whole economy."

But Beryl Sprinkel, the chief presidential economic adviser, said in a speech last week that there was no reason for a recession to occur soon.

"Recessions don't just happen," he said. "They are caused by policy mistakes."

If a recession does occur next year, many analysts are fearful that it will be triggered by the Federal Reserve Board pushing interest rates too high.

Ruling Aids Raleses Bid For Interco

The Associated Press

NEW YORK — The Rales brothers won a major victory Tuesday in their hostile, \$2.7 billion bid for Interco Inc. with a court-issued preliminary injunction blocking the furniture and apparel company's poison-pill defense.

The ruling in Delaware Chancery Court should allow the Washington-based Rales brothers to proceed with their \$74-a-share tender offer.

Neither the Rales brothers nor Interco could be reached immediately for comment. Cindy Carpenter, a spokeswoman for Steven M. Rales and Mitchell P. Rales, said that unless Interco appeals the ruling, it appears that the brothers can begin purchasing shares under the offer.

In active trading on the New York Stock Exchange, Interco jumped \$4 to \$71.75 a share.

Ms. Carpenter said the court reversed judgment on whether Interco could issue a special dividend. The St. Louis-based company in September countered the brothers' offer with a multibillion-dollar defensive restructuring that includes paying a special \$25-a-share dividend to shareholders.

The Raleses own 8.7 percent of Interco's stock. Their latest offer, made through Cardinal Acquisition Corp., is subject to 75 percent participation among Interco's 36.2 million shares outstanding, as well as the withdrawal of the poison-pill shareholder rights plan.

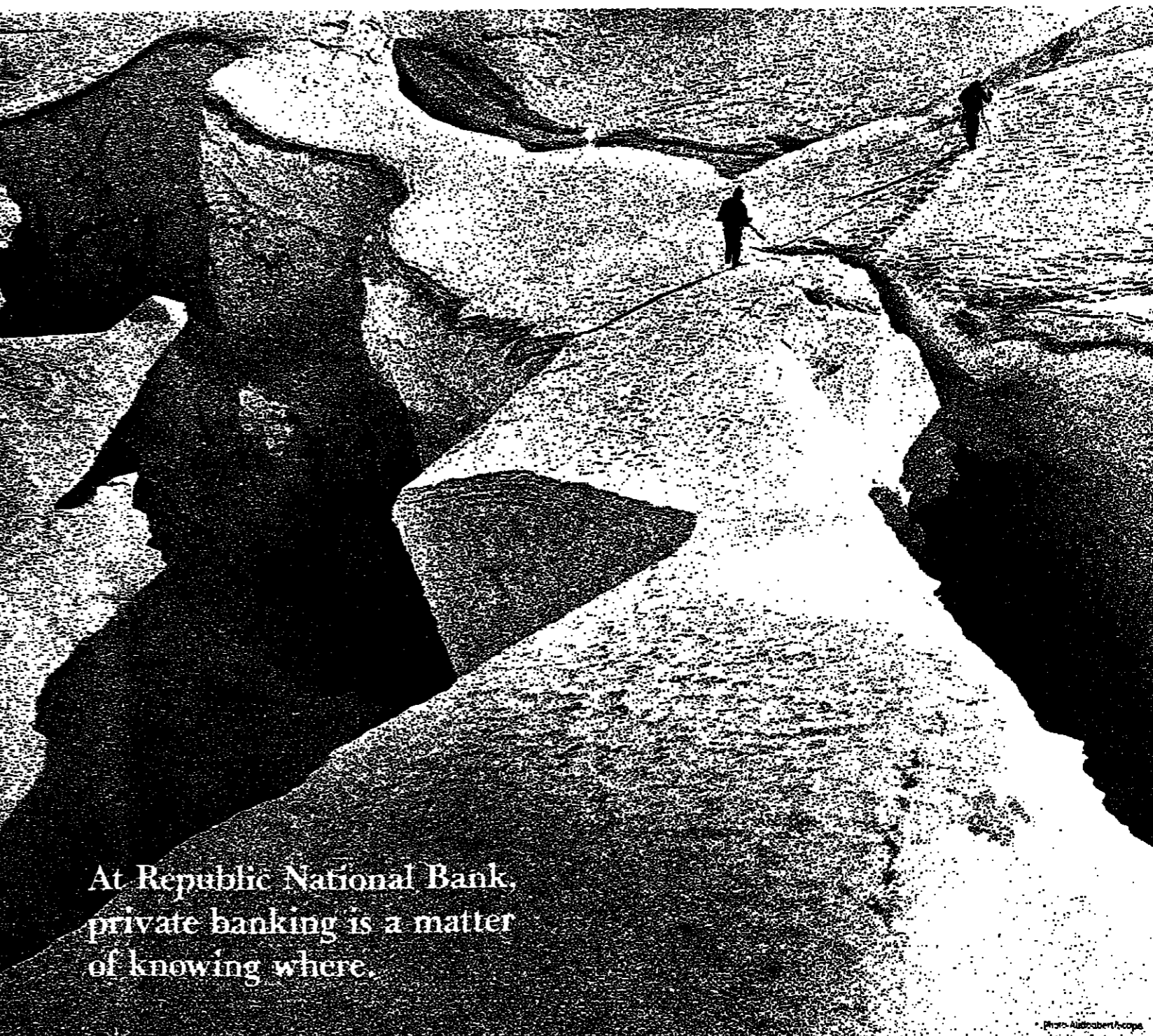
Earlier Tuesday, Cardinal announced that more than 24 million Interco shares had been tendered. Those shares, coupled with the Raleses' previous holdings, represent 77 percent of the company's outstanding stock. The offer was due to expire at midnight Tuesday.

Cardinal, which opened the bidding for Interco at \$64 a share last July, increased its hostile offer from \$70 a share to \$74 two weeks ago.

Ms. Carpenter said the fact that the Federal Trade Commission subpoenaed the brothers last week should have no effect on the tender offer. The partnership disclosed last Thursday that it had been subpoenaed in connection with an investigation of possible antitrust violations.

The Delaware ruling came after Interco succeeded in temporarily halting Interco's tender offer. In arguing to block the bid, Interco alleged that Cardinal failed to divulge that Drexel Burnham Lambert Inc., the investment firm, is a co-bidder in the takeover attempt.

Interco manufactures men's and women's clothing, footwear, furniture and home furnishings.



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مركز التمويل

Tuesdays NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect local variations.

Table with columns: 12 Month High/Low, Div. Yld. PE, 52 Week High/Low, Open, High, Low, Close, Chg. Lists various stocks and their performance.

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U.S. Futures Via The Associated Press

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Lists various futures contracts.

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Food

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EURODOLLARS (1MM)

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Lists various Eurodollar rates.

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Metals

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NYSE High-Lows

Table with columns: NEW HIGHS, NEW LOWS. Lists various stocks and their high/low prices.

AMEX High-Lows

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Company Results

Table with columns: Company Name, Revenue, Profits, etc. Lists various companies and their financial results.

London Metals

Table with columns: Metal Name, Price, etc. Lists various London metal prices.

London Commodities

Table with columns: Commodity Name, Price, etc. Lists various London commodity prices.

Spot Commodities

Table with columns: Commodity Name, Price, etc. Lists various spot commodity prices.

Dividends

Table with columns: Company Name, Dividend Amount, etc. Lists various companies and their dividends.

DM Futures Options

Table with columns: Option Name, Price, etc. Lists various DM futures options.

Bank of China Joins Syndicate For Soviet Loan

Article text: LONDON — Bank of China is making its first foray into international bank lending to the Soviet Union, it disclosed Tuesday.

U.S. Treasuries

Table with columns: Treasury Name, Price, etc. Lists various U.S. Treasury securities.

S&P 100 Index Options

Table with columns: Option Name, Price, etc. Lists various S&P 100 index options.

Reaching More Than a Third of a Million Readers in 164 Countries Around the World

Article text: The International Herald Tribune is pleased to announce that it has reached more than a third of a million readers in 164 countries around the world.

Stock Indexes

Table with columns: Index Name, Value, etc. Lists various stock indexes.

Financial

Table with columns: Financial Name, Value, etc. Lists various financial instruments.

Commodity Indexes

Table with columns: Index Name, Value, etc. Lists various commodity indexes.

Market Guide

Table with columns: Market Name, Value, etc. Lists various market guides.

DM Futures Options

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BUSINESS ROUNDUP

Commerzbank Buys Bank Stake in Brazil

By Ferdinand Protzman

FRANKFURT — Commerzbank AG said Tuesday it has acquired a 10 percent stake in Unibanco, Brazil's third-largest banking group...

in direct West German foreign investment.

In the first half of 1988, Commerzbank's partial group operating earnings fell 5.6 percent to 519 million DM from 531 million DM a year earlier.

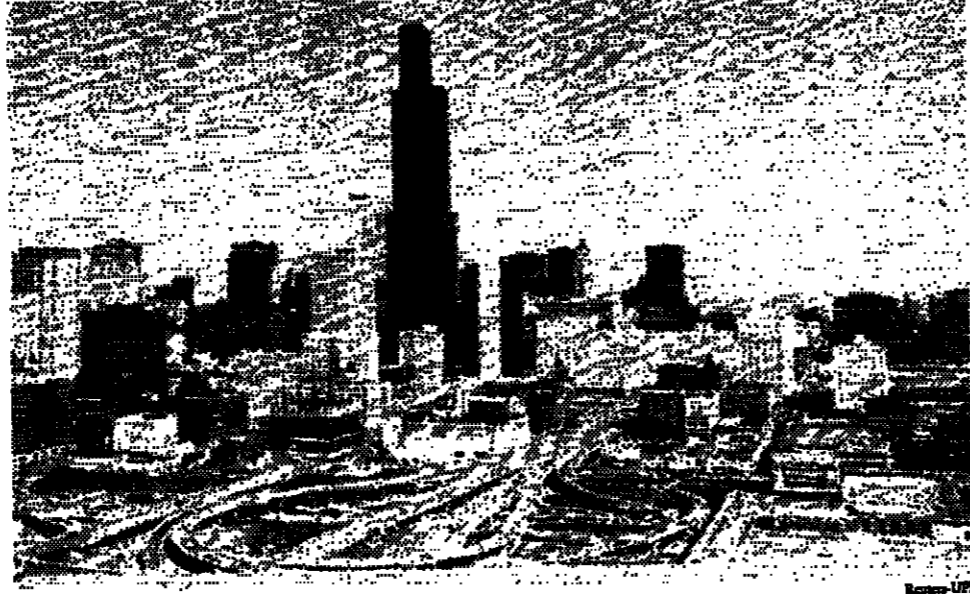
Commerzbank's lower profit in standard banking business was more than offset by strong results in its own-account trading operations in securities, gold and foreign exchange...

The largest commercial banks in West Germany, Deutsche Bank AG and Dresdner Bank AG, with Commerzbank, have been jockeying for position to take full advantage of the planned opening of the European Community's single market in 1992.

Dresdner Bank, in second place, took the latest step Monday, announcing plans to raise 780 million DM through a share offering during November.

Under the managing board chairman, Walter Seipp, Commerzbank has concentrated on building up its investment banking business worldwide, expanding its operations in New York, Tokyo and London.

Deutsche Bank has followed a similar strategy and has also begun to build its profile in smaller markets, such as Australia, where it purchased in September a 50 percent stake in Bain & Co., a Sydney-based brokerage and financial services group.



The Sears Tower in Chicago: World's tallest building may be world's biggest real estate transaction.

Sears Tower Could Fetch \$1 Billion

Sale Will Be Biggest-Ever Real Estate Deal, Agents Say

By Eric N. Berg

CHICAGO — The sale of the 110-story Sears Tower, the world's tallest building and an emblem of the Chicago skyline, will bring more than \$1 billion, the highest price ever for a single building, real estate professionals have predicted.

These experts said the most likely buyer would be a major U.S. developer who has the financial backing of a consortium of institutional investors, possibly including insurance companies, pension funds, university endowments, and foreign investors.

The real estate professionals said, however, that the planned sale, announced Monday by Sears, Roebuck & Co., was expected to test the marketing prowess of the three core assignees to sell the tower in a worldwide auction: Goldman Sachs & Co., Dean Witter Reynolds, and Coldwell Banker.

One difficulty in lining up buyers may be that only 600 top executives of Sears will remain in the tower, while 8,000 of its merchandising employees will be moved to another location. As a result, half of the 3.7 million square feet (333,000 square meters) in the tower will be empty, leaving the new owner to lease nearly two million square feet of vacant space.

The fact that Sears is leaving the building creates a mammoth risk for a new owner who has to lease up the building in the face of a soft office market, said Lloyd N. Lymford, president of Ries Report, a New York-based real estate research concern.

figures that would translate into a total purchase price of \$925 million to \$1.1 billion.

Having spent an estimated \$100 a square foot, or about \$400 million to complete the tower in 1983, Sears would profit handsomely.

"The capital gain will be enormous," said Neil T. Teplica, a senior associate at Jones Lang Wootton, an international real estate advisory firm.

Among the developers mentioned on Monday as being capable of leading a bid for the tower were Tishman-Speyer Properties, of New York, Trammell Crow Co., of Dallas, Gerald D. Hines Interests, of Houston, and JMB Realty Corp., of Chicago.

Although no one has been asked yet to bid on the tower, JMB was mentioned as an especially likely candidate because of its intimate knowledge of the Chicago market and its track record in successfully investing institutional money in real estate.

But raising financing could be difficult because the Chicago market is currently overbuilt. In the downtown area where the Sears Tower stands, known as the Loop, there is already a 15 percent vacancy rate. About 16 million square feet of a total 105 million square feet of new space is expected to become available in the Loop during the next two years, space that the vacant offices in the Sears Tower will have to compete with.

Sears executives said they chose to relocate 8,000 employees in the merchandise group rather than face the big increase in rent that a buyer of the Tower would likely demand.

Like most other major building sales, the disposition of the Sears Tower will be done on a global basis. Before the sale, a selling document will be assembled detailing the income stream from the tower and the costs of running it.

It is believed that the selling document will be distributed to interested buyers by Goldman, Sachs and Coldwell Banker. Dean Witter is expected to work with Goldman to assemble institutional financing or possibly to arrange for bonds to be sold to the public that would be backed by rents from the tower.

In any case, it is expected that the agents will keep the selling document confidential, releasing it only to a handful of investors around the world who have the demonstrated financial muscle to pay \$1 billion for the tower.

GEMINI: Computer Consultancy Extends Its Reach

(Continued from first finance page)

increase in its workforce to 50,000 people. He called the numbers "a little staggering."

"The perspectives of the group are excellent," said Bruno Renard of the Paris brokerage Cheuvreux, Vireux SA, in a recent report. "Cap Gemini is the European leader in markets that are expected to grow at an annual rate of around 20 percent over the next five years."

Mr. Renard recently increased his estimate of Cap Gemini earnings, projecting a 47 percent gain this year to 390 million francs and a further increase of 30 percent in 1989 to 510 million francs.

Shares in Cap Gemini, quoted at 2,350 francs at the Friday close in Paris, are currently above the level they held at the time of the collapse in global equities last October, giving the company a market capitalization of 10.06 billion francs. The stock price, which has more than doubled from its low early this year of 1,121 francs, is currently priced at a lofty 27 times projected 1988 earnings.

Cap Gemini hopes to increase its business and stay in the United States by trying competitors. If the company is going to include Fortune 500 companies among its clients, Mr. Berty said, "it's fundamental not to have to explain who you are."

The American software services industry is fragmented, with large chunks controlled by units of the so-called Big Eight accounting firms, such as Arthur Andersen & Co.

At this point, most of the business generated by Cap Gemini America, the New York-based subsidiary, comes from medium-sized businesses, though the company recently captured a contract with Coca-Cola Co. The U.S. unit employs more than 2,000 people and last year reported \$134 million in revenue.

Mr. Berty said Cap Gemini is aiming for acquisitions that will help it generate \$1 billion per year in the United States within the next five to ten years.

"We're talking to everybody, but we haven't reached anything concrete yet," he said. Cap Gemini was formed from an amalgamation of companies built on Segit SA, a consulting company started by Mr. Kampf in 1967 and merged with Cap-France in 1974. Segit, still controlled by Mr. Kampf, owns 52 percent of Cap Gemini.

Anderson Sues Saatchi Over Consulting

The Associated Press

NEW YORK — Arthur Andersen & Co. has sued Saatchi & Saatchi P.L.C., accusing the advertising concern of trying to force Andersen to sell part of its management information consulting business.

The suit follows the departure last month of four top consulting partners from Andersen, a giant accounting concern, for a new consulting venture backed by Saatchi.

In the suit filed Monday in a New York court, Andersen accused Saatchi and several former Andersen executives of raiding Andersen personnel, interfering with Andersen clients and misappropriating Andersen's proprietary technology and trade secrets.

Also named in the suit are Information Consulting Group Inc., formed in October, Victor E. Miller, a former Andersen executive, and Gresham T. Brebach, who headed Andersen's U.S. management consulting practice.

In the past two years, Cap Gemini has spent more than 1.2 billion francs to take stakes or acquire companies. A French computer systems integration specialist called SESA is now a wholly owned subsidiary. SESA had revenues of 1.2 billion francs last year. Cap Gemini, which took a 35 percent interest in SESA in 1982, increased that stake to 92 percent last year and to 100 percent this year.

It also took control of ITMI, a Grenoble-based concern specializing in computer-aided vision, artificial intelligence and robotics. However, Cap Gemini's weakness is its "notable absence" from Britain and Japan, said Dennis Cox, analyst with Phillips & Drew in London. He predicted an ultimate slowdown for the concern unless it can make inroads in those two markets, through acquisitions or alliances, within the next 18 to 24 months.

There is evidence that Cap Gemini already is trying to make a move in the British market. Last April, it stirred the European computer services industry after it snatched up 29.6 percent of Cap Group, a British software services company that had split away from a former com-

pany of Mr. Kampf in 1975. Only days earlier, Cap Group had announced it would merge with Semetria, a major Cap Gemini competitor in France, to form a company called Sema Group, with projected 1988 revenues of 3 billion francs.

The merger effectively diluted Cap Gemini's stake to 13.6 percent but London brokers say the company is buying shares again and now holds around 20 percent of Sema Group. They believe it will continue to buy shares and ultimately launch a takeover bid when its holdings pass 29 percent, as is required by British law.

In addition, last May, Cap Gemini and Volmac, the largest software services concern in the Netherlands, agreed to a 5 percent cross-shareholding arrangement. Volmac earlier had also quietly taken a 3.6 percent interest in Cap Group.

Paribas, the French merchant bank, has 26.4 percent of Sema Group, and analysts suggest that Paribas wanted to join forces with Cap Gemini and Volmac, they would have little problem taking over Sema Group.

"It's very conceivable we'll see a move this fall or perhaps within the next 12 months," said Suzanne Hardy, analyst with DKL/James Capel, a Paris broker. "It would fit with Paribas' ambitions."

Mr. Berty acknowledged the Sema Group would give Cap Gemini access to the British market, which it has so far been unable to penetrate on its own. But he ruled out any hostile moves, which he said could alienate Sema Group management and ultimately ruin such an acquisition.

"In this kind of business, we definitely need the approval of management" in an acquisition, he said. He explained that Cap Gemini's investment in Sema Group will give it "a foot in the door."

"If in the future, both parties see an advantage in merging, he said, "there will be no reason why it couldn't be done. If not, we can sell the stock back and we will have made a good investment."

INTERNATIONAL BUSINESS MESSAGE CENTER

Grid of 12 small advertisements for various business services, including company formation, real estate, and financial investments.

Advertisement for GRUPPO INTERMEDIAZIONI AZIENDALI, offering services for companies looking to buy or sell in Italy.

Advertisement for DRAKE REAL ESTATE, featuring properties in New York and Montreal.

Advertisement for SWITZERLAND, offering high-resolution color printing and other services.

Advertisement for HARD TO BORROW, offering financial services and loans.

Advertisement for WE'VE GOT WHAT YOU NEED IN GENEVA, offering a full range of professional business services.

Advertisement for FOR SALE MONTREAL, CANADA, featuring a prime location in the city.

Advertisement for DISTRIBUTORS WANTED, offering a complete range of electronic equipment.

Advertisement for SACAGA CORPORATION, offering international financial planning services.

Advertisement for UNIQUE OPPORTUNITY, offering small, prestigious, international investment opportunities.

Advertisement for BEST'S GUIDE, offering a comprehensive guide to international business.

Advertisement for REACHING MORE THAN A THIRD OF A MILLION READERS IN 164 COUNTRIES AROUND THE WORLD.

Advertisement for FAX PLUS, offering a new service for sending and receiving faxes.

Advertisement for WORLD MARKETS IN REVIEW, offering a weekly review of world stock markets.

دكتوراه من الاديان

Italian Concern Acquires Big Stake in Super Channel

London — An Italian concern has acquired 53 percent of the Super Channel satellite television system from British commercial stations, Super Channel said Tuesday.

The agreement makes Betatelevision SpA of Italy and Virgin Group PLC, a British concern based in the UK, a joint venture in the Super Channel. It also points up the difficulties of launching satellite television systems for Europe: Super Channel has consistently posted losses.

Virgin holds 45 percent of Super Channel, a British-based entertainment station based to almost 14 million subscribers in 15 countries.

A spokesman for Super Channel said Britain's regional commercial television companies had agreed to sell most of their stake to a Betatelevision subsidiary, Videomusic, a 24-hour music station in Lucca, Italy. She declined to disclose the price.

An agreement on the rest of their holdings was expected soon and would increase the Italian share to 55 percent, she said.

The Evening Standard newspaper of London said that Videomusic would virtually nothing for the stake, but would take on liabilities of £8 million (\$14.1 million).

The chairman of Virgin, Richard Branson, was quoted as saying that Super Channel had accumulated losses of about £60 million in the last three years.

But he told the newspaper, "With television it is very often the people who come in at the second stage who do very well."

Super Channel went on the air at the beginning of 1987, providing a 24-hour English-language service.

Looking for a High-Tech Christmas Present for Grandma? Consider the Videophone

Boston — Consumers who want the latest in high-tech gadgetry will finally be able to have a videophone under their tree this holiday season.

Three Japanese companies — Mitsubishi Electric Corp., Panasonic Co., a unit of Matsushita Electric Industrial Co., and Sony Corp. — have recently introduced telephones that can send and receive black and white, still images every five to seven seconds over standard telephone lines.

Mitsubishi was the first company to come out with a videophone in the United States, introducing the Visistat at a cost of \$399 last January.

which caution that demand for the phones, which cost \$400 to \$500 each, will be limited.

"We are being very cautious at first," said Mike Lang, national sales manager in the U.S. for Sony telecommunications products. "This is just the start of a new business that, over a period of time, should become a very significant new product."

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October. Panasonic has said it expects to sell about 7,000 units of the WG-R2, which costs \$449.95 and the KX-T10, costing \$469.95, in the fourth quarter.

Analysts, however, say it will be seven to 10 years before videophones become as common as videocassette recorders.

"There really isn't a consumer market now," said Casey Dworkin, general manager of Personal Technology Research, a market research concern. "That's not to say there won't be a big market some day, but it's a long way off."

He expects the three Japanese companies to sell about 45,000 units this year and 70,000 in 1989.

Analysts said that consumers will flock to buy videophones only when the price is under \$200, which makes them unlikely over the next 12 to 18 months.

Mr. Beck said it is "very difficult to get the price down because the components, especially the camera, are so expensive."

But even more important than low price, say analysts, is transmission that provides color, moving images simultaneously with voice, a capability that telephone lines cannot currently handle.

Mexico Privatizing Mines by Debt Swaps

Mexico City — The Mexican government has agreed to sell its interests in two mining concerns for \$1.36 billion in Mexican debt paper, thereby cutting its large foreign debt, the state development bank said Monday.

The development bank Nacional Financiera, known as Nafinsa, said it accepted the offer for its 34 percent holding in the copper mining company Mexicana del Cobre and its 100 percent holding in an affiliate, Mexicana de Acido Sulfurico.

The buyers are the mining concern Fomento Industrial del Norte de Mexico SA and the National Miners Union, who presented a joint bid, Nafinsa said.

The sale is the largest yet in the government's program to divest itself of companies not considered vital to national interests.

Under the deal, the mining concerns will be bought with the purchase of \$1.36 billion worth of restructured Mexican public debt paper. Nafinsa did not mention discount rates.

The statement said the deal would mean a significant reduction in Mexico's \$100 billion foreign debt. Through the deal, Mexico is continuing a trend toward debt-to-equity swaps chosen by other heavily indebted nations.

The deal appears similar to one struck last April for the sale of Mexico's largest copper mining concern, Compania Minera Cananea, for \$910 million in debt paper with the industrial conglomerate Grupo Prot Ecu SA. That deal collapsed when the buyers had difficulty financing the purchase, but Nafinsa has since reopened the Cananea sale and said it will announce its bid choice by Nov. 7.

Competitors, meanwhile, are watching with keen interest. "You can never underestimate Dentsu," said Kent Cooper, director of public relations for the Los Angeles office of Hakuhodo Advertising, whose parent ranks as Japan's second largest ad firm. "The signals are all there that Dentsu may be changing its U.S. advertising strategy, and it may soon become a major player in the market."

Should advertisers pay for results? Right now, most businesses pay the same amount for advertising whether it succeeds or fails.

Ad agency executives traditionally have said that they should be paid a flat 15 percent of total advertising billings. But one New York ad agency suggests a sliding scale, based on results.

"If the agency keeps your brand strong and helps it grow, pay them more," says a New York Times ad man by the agency Martin Marshall Jaccotta Mitchell. "If they don't, pay them less. The company creates ads for such companies as Ralston Purina and the Meridian hotel chain.

ADS: Firm Scouts Hot U.S. Talent for Japanese Clients

(Continued from first finance page) brochure states that the company is avidly seeking clients that want "the fastest return to Japan."

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In an interview, John C. Martin, Jr., president of the agency, said that agencies should be willing to take 20 percent less than conventional fees.

"But if I beat a predetermined benchmark," he said, "the advertiser should be willing to give me twice the 20 percent that I gave up."

SATIRE IN WORDS AND PICTURES: DOONESBURY DAILY IN THE HI

The Carlyle Hotel advertisement including address (Madison Avenue at 78th Street, New York 10021), phone numbers, and a small image of the hotel building.

Large advertisement for International Management magazine. Features a portrait of a man in a suit, the magazine cover, and text describing it as 'Europe's Business Magazine' and 'The Pan-European Business Monthly'. Includes contact information for various offices.

Table of International Funds (Quotations Supplied by Funds Listed) as of Oct 31, 1988. Columns include fund names, symbols, and numerical values. Includes sub-sections for Other Funds and various regional funds.

ESORTS & GUIDES section. Includes 'INTERNATIONAL CLASSIFIED' with a list of travel agencies and services in various cities like London, Tokyo, and Vienna. Also includes 'ESORTS & GUIDES' with specific agency listings.

Small text at the bottom left of the page, possibly a page number or publication info.

### Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Open	Close	Change
100	75	AAFC	1.50 11.7	100	75	100	75	0
100	75	AAFC	1.50 11.7	100	75	100	75	0
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12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Open	Close	Change
100	75	AAFC	1.50 11.7	100	75	100	75	0
100	75	AAFC	1.50 11.7	100	75	100	75	0



A luxurious, useful gift for executives on the move.

## The desk diary that picks up and goes with you

Half your life's story—or even more—is inscribed on the pages of your desk diary. Yet when you travel or go to meetings, most desk diaries are too cumbersome to take along.

That's why the International Herald Tribune—constantly alert to the needs of busy executives—had this desk diary especially designed for its readers. Bound in luxurious silk-grain black leather, it's perfect on your desk, offering all the noting space of any standard desk diary. Yet pick it up and you'll find it weighs a mere 340 grams (12 oz.).

No voluminous data and statistics are included in this diary, but on the other hand a removable address book saves hours of re-copying from year to year. Diary measures 22 x 15 cm (8.5 x 6 in.), fits easily into the slimmest attaché case, and has gilt-metal corners, gold page-edges and French blue paper. Personalized with gilt initials on the cover, it's a marvelous gift for friends, business contacts and associates. (Note that quantity discounts are available.) Please allow 30 days for delivery.

**Herald Tribune**

International Herald Tribune, Karen Diot, Special Projects Division, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

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Please charge to my  Access  Visa  Amex  Eurocard  Diners  MasterCard

Card No. \_\_\_\_\_ Exp. date \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_ City/Code/Country \_\_\_\_\_

2-11-88

### Floating-Rate Notes

Issuer/Note	Coupon	Next	Bid	Ask
Abn-Amro 3 1/2%	3 1/2%	11/15/88	100.00	100.00
Abn-Amro 4 1/2%	4 1/2%	11/15/88	100.00	100.00

### THE EUROMARKETS

will be featured in a special financial report, prepared by the editors of the International Herald Tribune. It will appear on Monday November 21st. Don't miss this important issue.

**Herald Tribune**

Published With The New York Times and The Washington Post

صكيات الأصيل



CURRENCY MARKETS

Dollar Slips Against Yen Despite Buying by Fed

NEW YORK — The dollar ended lower against the yen Tuesday, as speculators ignored attempts by the Federal Reserve Board to stem the dollar's fall against the Japanese currency, dealers said.

London Dollar Rates table with columns for currency, time, and amount.

The Fed's efforts were concentrated in holding the dollar above the key 125 yen support level. The dollar ended at 125.25 yen, compared with 125.675 Monday, but slipped for a time below the support level.

mild losses sustained on profit taking and the spurring of long positions by traders when Chancellor of the Exchequer Nigel Lawson gave his autumn address on the economy.

A dealer with a British bank said, "the market's nervous with a week to go to the election. It'll stay in a range of 1.7750 to 1.7950 Deutsche marks until then. If it goes through 1.7800, we'll see the central banks come in."

Former Japanese Official Aids Salomon

By Stuart Auerbach Washington Post Service WASHINGTON — One of the toughest and most outspoken trade negotiators in Japan has become an adviser in Tokyo for Salomon Brothers, the Wall Street investment house.



Makoto Kuroda

Mr. Kuroda, who was in Washington this week to participate in a conference on free trade agreements at the Institute for International Economics, said he would advise Salomon Brothers on "whatever they ask."

LAWSON: Britain Booming

(Continued from page 1) the current fiscal year ending March 1989, or more than two percent of gross domestic product. In March, he had put the figure at £3 billion, or 0.75 percent of GDP.

Soviet Minister Puts Inflation At Up to 1.5%

MOSCOW — A senior Soviet official said Tuesday that the country's inflation rate was between 0.9 percent and 1.5 percent, contradicting reports by Western and Soviet analysts that the rate is really as high as 5 percent or 6 percent.

Slide in Canadian Dollar Resumes As Rally Falts

OTTAWA — A modest rally Tuesday in the beleaguered Canadian dollar quickly faded after yet another poll was released showing that support for the Liberal Party was on the rise across the country, currency analysts said.

Japanese See Limited Appeal in Rally of Treasury Notes

TOKYO — Japanese institutional investors played only a small part in the weeklong rally in U.S. Treasury bonds and are focusing on factors that could continue to keep them out of the market, bond managers and economists said Tuesday.

Over past weeks, swings in the dollar stirred relatively mild changes in bond prices. That is the opposite of the usual pattern, when bond prices fluctuated widely on small changes in the exchange rates, one dealer said.

One reason for the Japanese confidence has been the determination of the Federal Reserve Board, the U.S. central bank, to buy dollars when the currency slips.

For example, the Fed intervened in U.S. currency markets three times on Monday, when the dollar fell to around 125 yen.

Chrysler to Halt Two Car Models

HIGHLAND PARK, Michigan — Chrysler Corp. will discontinue two slow-selling car models in March, an executive confirmed Tuesday.

Tuesday's OTC Prices NASDAQ prices as of 4 p.m. New York time.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE Ratio, High, Low, 4 P.M. Close

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE Ratio, High, Low, 4 P.M. Close

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE Ratio, High, Low, 4 P.M. Close

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Table with columns: 12 Month High, Low, Stock, Div. Yld. PE Ratio, High, Low, 4 P.M. Close

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE Ratio, High, Low, 4 P.M. Close

Large table of OTC prices for various stocks, including columns for 12 Month High, Low, Stock, Div. Yld. PE Ratio, High, Low, 4 P.M. Close.

Large table of OTC prices for various stocks, including columns for 12 Month High, Low, Stock, Div. Yld. PE Ratio, High, Low, 4 P.M. Close.

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Large table of OTC prices for various stocks, including columns for 12 Month High, Low, Stock, Div. Yld. PE Ratio, High, Low, 4 P.M. Close.

BOOKS

MAN RAY: American Artist

By Neil Baldwin. 449 pages. \$25. Clarkson N. Potter Inc. 225 Park Avenue South, New York, N.Y. 10003

Reviewed by Michiko Kakutani

READERS who have followed the Dada and Surrealist movements are undoubtedly familiar with many of Man Ray's bizarre creations: a ticking metronome adorned with a photograph of a woman's eye ("Perpetual Motif"); an ordinary household iron sprouting a row of tacks on its underside ("Cadeau"); a picture of a woman crying tears of glass ("Larmes"); a painting of a huge pair of lips floating like an otherworldly spaceship, over the spires of Paris ("A l'heure de l'observatoire"); a photograph of a woman's torso, inconspicuously made to resemble a violin ("Le Violon d'Ingres").

Because his work was so eclectic, because he moved so restlessly from one medium to another (from painting to film to photography to "object making"), because he hovered around the edges of so many different avant-garde circles in the United States and France, Man Ray has always been a somewhat elusive figure. To some, he was a minor-league Duchamp, eclipsed by his friend's flamboyant talent. To some, he was primarily a photographer who documented the lives of his fellow artists and writers. And to others, he was a catalyst of ideas, a talented provocateur, capable of oiling the gears of the avant-garde.

"If Man Ray's art was suspect, it was because it defied easy categorization," writes the scholar Merry Forester in a new exhibition catalogue ("Perpetual Motif: The Art of Man Ray"). "The artist's elusive personality—American or European? artist or commercial photographer? loner or celebrity?—and his resistance to working in any one style or any one medium all contributed to the puzzle Man Ray presented to his critical audience."

Unfortunately, "Man Ray: American Artist," Neil Baldwin's new biography, will do little to solve that puzzle. Though this earnestly written volume gives us a nice guided tour through Man Ray's world, it fails to sum up or re-evaluate the artist's overall achievement, and it similarly fails to give us a satisfying portrait of this enigmatic man.

No doubt Man Ray would have wanted it this way. Irony and a willful playfulness were the two constants in his work, and a stream-of-consciousness memoir, published in 1963, was similarly intended "to be ambiguous for the average reader."

"Information about Man Ray's childhood and formative years was exceptionally difficult to obtain," Baldwin writes, "because Man Ray did not want people to know about his youth. He did not want his family in America to grant interviews about his past. The special tension of Man Ray's early life emerges like a photographic print slowly developing in the tray."

The first son of a Russian immigrant tailor and his wife, he was born in Philadelphia in 1890 and named Emmanuel Radnitsky. The family later changed its name to Ray, and the young Manny soon took to signing his early paintings "MR." By the time he moved to Paris in 1921, the "existential persona" he had invented for himself was in place: he ducked questions about his real identity and his place of birth—he had become Man Ray.

Aside from making fairly generic speculations about Man Ray's need for independence and his wariness of his family's bourgeois expectations, Baldwin offers no real insight into the artist's need to escape from his past, no analysis of how this might have shaped his coy, elusive art. Nor does Baldwin give us any real understanding of Man Ray's inner, imaginative life. Though we are told that on several occasions Man Ray felt suicidal, we never learn the reason for these bouts of depression or their effect on his work.

When it comes to the artist's conflicted relationships with a succession of headstrong women, Baldwin is somewhat more illuminating: He shows us how the artist could get even with a wayward lover by "breaking her up"—that is, by fragmenting her body with the camera or the paintbrush; and he shows us how images of "supplanted women" recurred throughout his oeuvre.

Where Baldwin is probably most eloquent is in describing the assorted artistic worlds that Man Ray inhabited and in delineating his debt to each. We are shown the circle that gathered around Alfred Steglitz and his 291 gallery in New York, the celebrated Arensburg salon that met on the city's Upper West Side (which included Francis Picabia, Edward Vasey, Joseph Stella, Charles Demuth, William Carlos Williams and Wallace Stevens); the Dadaist movement presided over by Marcel Duchamp and Tristan Tzara in Paris, and the Surrealist school as it emerged under the guidance of André Breton.

Baldwin succinctly sketches in Man Ray's relationship to those last two movements as well as the influence that Cubism and Futurism exerted on his earlier work. Yet, as he points out, Man Ray consistently remained "all attempts to label or categorize him" and in this sense he remained a perpetual outsider. It is another reason, perhaps, that he has remained such an enigma.

Michiko Kakutani is on the staff of The New York Times.

BEST SELLERS

Table with columns: Rank, Title, Author, Last Week, Weeks on List. Includes titles like 'The Queen of the Damned' and 'The Ragman's Son'.

World Stock Markets

Via Agence France Presse Closing prices in local currencies, Nov. 1

Table of stock market data for various regions including Amsterdam, Hong Kong, London, and Tokyo.

Market Closed

The stock market was closed in Sao Paulo on Monday and in Brussels, Paris, Madrid, and Milan on Tuesday for a holiday.

Table of market data for Sao Paulo, London, and Sydney.

U.S. Group Seeks Forstmann & Co.

The Associated Press NEW YORK — A group led by Odyssey Partners said Tuesday it has agreed to acquire Forstmann & Co. of Georgia, the largest manufacturer of woolen and wool-blend fabrics in the United States, in a deal valued at about \$186 million.

Odyssey, an aggressive Wall Street investment partnership, and its partners, will pay \$11.75 for each of Forstmann's 5.5 million outstanding shares and assume about \$120 million of debt. Under terms of the agreement, a tender offer is to begin promptly.

In active trading on the American Stock Exchange, Forstmann shares had jumped \$1.25 a share to \$11.125 at midday Tuesday. The partnership made the bid in conjunction with James Ammen, a private investor who was de-

scribed in a news release as having extensive experience in the textile and apparel industries. He will become chief executive officer of the company.

The agreement followed talks between an Australia-based group, General Investments, and a Zurich-based SA of France, about a possible joint offer for Forstmann. General Investments holds about 24 percent of Forstmann's stock, it was disclosed in a filing with the U.S. Securities and Exchange Commission in October.

Robert Christian, vice president of human resources for Forstmann, said of the Odyssey move, "It's not a hostile deal. That's all we know right now."

Based in Dublin, Georgia, Forstmann is the second-largest domestic manufacturer of worsted and worsted-blend fabrics.

Table of stock market data for various international markets including Canada, Europe, and Asia.

Crossword puzzle grid with clues for Across and Down.

Weather forecast table for Europe, Asia, North America, Africa, Latin America, and Oceania.

Dennis the Menace comic strip panels showing Dennis and his dog, Gnasher.

Jumble word puzzle with a grid and a cartoon illustration of a man cooking.

Peanuts comic strip panels featuring Snoopy and Woodstock.

Blondie comic strip panels featuring Blondie and Dag.

Wizard of Id comic strip panels featuring the characters from the cartoon.

Andy Capp comic strip panels featuring Andy Capp and his wife, Maggie.

Beetle Bailey comic strip panels featuring Beetle Bailey and his boss.

Doonesbury comic strip panels featuring the characters from the cartoon.

Garfield comic strip panels featuring Garfield and his owner, Jon Arbuckle.

Garfield comic strip panels featuring Garfield and his owner, Jon Arbuckle.

Handwritten text at the bottom of the page: 'سكنا من الأصل'

SPORTS

Who's Who for Rugby's '88-89 Season

By Bob Donahue
International Herald Tribune
LONDON — While New Zealand bestrode the sport like a colossus...

RUGBY'S BIG EIGHT
Last 10 tests among the eight
1. New Zealand 9 1 0 52
2. France 6 1 3 19
3. Wales 6 0 4 16
4. England 4 0 4 15
5. Argentina 3 2 5 8
6. Scotland 3 1 6 15
7. Australia 2 2 6 13
8. Ireland 2 0 8 13

Back then, they had lost twice to Australia, lost once to France, drawn once against Argentina...

England in 1984. (The Springboks won both tests, 33-15 and 35-9.) The last official Springbok tour to a major country was to New Zealand for a three-test series in 1981.

But they struggled to share the Five Nations title with Wales last winter, looked jaded in Buenos Aires last June and now need to accelerate out of their post-World Cup doldrums.



The Colts' Eric Dickerson dives over Bronco defenders to score the third of four touchdowns.

Dickerson and Colts Crush Broncos

INDIANAPOLIS — Eric Dickerson rushed for 159 yards to break another field goal in the third quarter and scored a career-high four touchdowns as the Indianapolis Colts stunned the Denver Broncos, 55-23, in a National Football League game Monday night.

Montana Feels the Trade Winds

SANTA CLARA, California — A burgeoning quarterback controversy was blown wide open Monday when the veteran Joe Montana said that Coach Bill Walsh may be ready to trade him from the San Francisco 49ers.

Home for Christmas: Graf Pulls Out of Match

FRANKFURT — Steffi Graf, the winner of the Grand Slam in tennis, announced Tuesday that she was pulling out of next month's Federation Cup play in Australia...

that Graf, 19, also wanted to spend Christmas at home with her family. The Federation Cup is scheduled for Dec. 5-11 in Melbourne.

of the sport, United Press International reported from London. The council has agreed to ATP demands for 50 percent voting control on Grand Slam tournament matters.

SCOREBOARD

FOOTBALL

NFL Standings

Table showing NFL Standings for American Conference and National Conference, including teams like Buffalo, NY Jets, Miami, etc.

U.S. College Leaders

Table showing U.S. College Leaders for Total Offense, Passing, and Rushing, including teams like Wyoming, Washington St., etc.

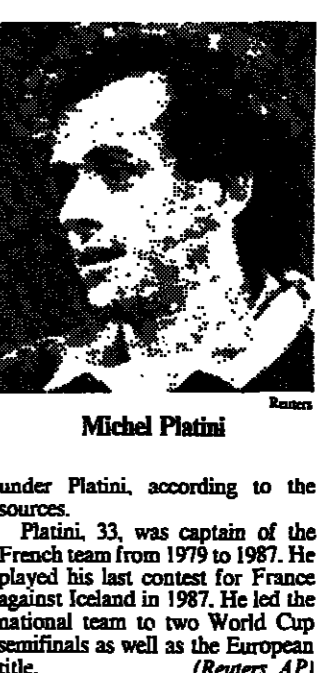
Transition

Table showing Transition for Baseball, Football, and Hockey, including teams like Minnesota, Toronto, etc.

Platini Rumored to Be French Team's New Coach

PARIS — Michel Platini, the former captain and star of the French national soccer team, will replace Henri Michel as coach, several sources reported Tuesday.

Platini, 33, was captain of the French team from 1979 to 1987. He played his last contest for France against Iceland in 1987. He led the national team to two World Cup semifinals as well as the European title.



Henri Michel and Michel Platini.

College Top 20 Rankings

Table showing College Top 20 Rankings for Football, including teams like Notre Dame, Southern Cal, etc.

Hockey

Table showing Hockey Standings for NHL, including teams like Washington, NY Rangers, etc.

Basketball

Table showing Basketball Standings for NBA, including teams like Boston, Detroit, etc.

Sidelines

Ditka Says McMahon Was Hit Illegally
LAKE FOREST, Illinois (UPI) — Mike Ditka, coach of the Chicago Bears, said Tuesday that the hit that sidelined quarterback Jim McMahon during Sunday's game against the New England Patriots was illegal and that he planned to take it up with the National Football League office.

Tyson and Ali Get Awards From WBC

MEXICO CITY (AP) — World heavyweight champion Mike Tyson and former champ Muhammad Ali received special awards Monday at the opening of the World Boxing Council's annual meeting.

NHL Suspends Tocchet and Messier

NEW YORK (UPI) — Rick Tocchet of the Philadelphia Flyers received Monday a 10-game suspension and Mark Messier of the Edmonton Oilers a six-day suspension from the National Hockey League for their involvement in recent incidents.

Advertisement for Wempe watches, featuring a large image of a watch and the text 'WEMPE SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.'

PEOPLE

OBSERVER

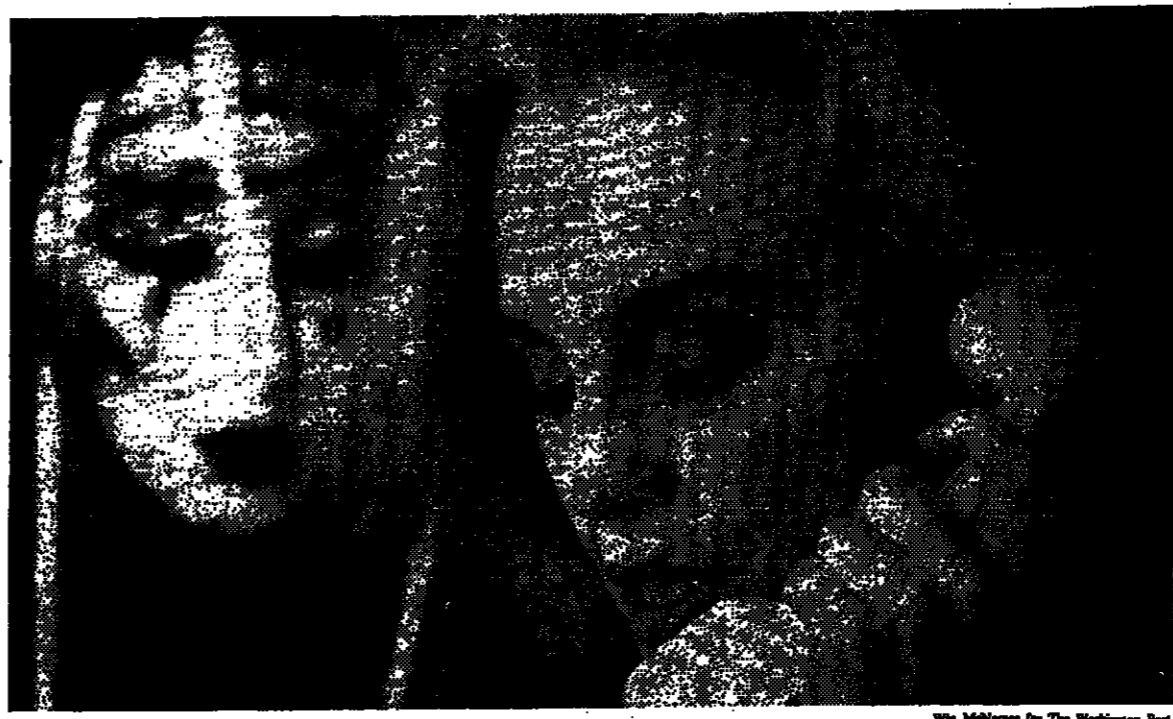
Picking on George

By Russell Baker
NEW YORK — Answering the mail: "Why do you keep picking on George Bush? I like to get my name in the paper sometimes, too. Why don't you pick on me for a change?"

"I regret you think me capable of slandering one of our great states, the home of the gallant Puritans and cradle of the American Revolution. I refer to Massachusetts. Not, as you so crudely call it, 'fucking the cheap, vulgar example I have been forced to set while being helplessly manipulated by the thugs who run my campaign — not 'Taxachusetts'."

Madeline Kahn: Born Again in a Comedy

By Joe Brown
WASHINGTON Post Service
WASHINGTON — The funny thing about Madeline Kahn is that she is really not funny. As she is famous for her stunts in Mel Brooks' "Blazing Saddles" and "Young Frankenstein" and the musical "On the Twentieth Century" — you could be forgiven for imagining Kahn to be the life and soul of the party. But no.



She says she just decided that life isn't worth living if you can't confront challenges when it means something to you.

challenges when it means something to you. The playwright Garson Kanin says Kahn's casting started the first major revival of the show with his blessing. "I never could get a cast together that I thought could withstand the odious comparisons with the original company," he says.

believable to me but who will also be funny? Who has agreed to live a life with no prestige, no status, no position. It was quite a job, a nice challenge. But Kahn certainly does not make it look like work. She has a way of creating subtle details — not drawing attention to herself.

"Won Ton Ton, the Dog Who Saved Hollywood" and television shows (two series: "Oh, Madeline" and "Mr. President" with George C. Scott). But despite the flops and near-misses, Kahn gets good reviews. "Yes, but in what?" she says. "Everyone also says, 'Anah but the writing was so good.' Most of the stuff I've done, the good stuff, was done a long time ago. The stuff that I've done in TV and the movies, has not been of high caliber, but who knew at the time?"

"Madama Butterfly" Woos London Audience

Catherine Malfrano, the American soprano, was cheered after her opening performance in a new production of "Madama Butterfly" at the Royal Opera House in London. The cost of Giacomo Puccini's opera, staged by Nicola Piccini, the Spanish actress and theater director, took 11 curtain calls. An attempt to contact Harry Houdini on the 62d anniversary of his death on Halloween drew only a puff of smoke, but even that was arguable, said Sidney H. Rader of Holyoke, Massachusetts, who directed the stance in the Outrageous County Historical Society Museum in Appleton, Wisconsin. "In essence, we did what Houdini would be doing today if he were alive — proving that people can't come back from the dead," Rader said.

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